

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-35769

News Corp

NEWS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-2950970
(I.R.S. Employer
Identification No.)

1211 Avenue of the Americas, New York, New York
(Address of principal executive offices)

10036
(Zip Code)

Registrant's telephone number, including area code (212) 416-3400

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

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	The Nasdaq Global Select Market
Class B Common Stock, par value \$0.01 per share	The Nasdaq Global Select Market
Class A Preferred Stock Purchase Rights	The Nasdaq Global Select Market
Class B Preferred Stock Purchase Rights	The Nasdaq Global Select Market

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

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of December 29, 2017, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A Common Stock, par value \$0.01 per share, held by non-affiliates was approximately \$6,174,195,534, based upon the closing price of \$16.21 per share as quoted on The Nasdaq Stock Market on that date, and the aggregate market value of the registrant's Class B Common Stock, par value \$0.01 per share, held by non-affiliates was approximately \$2,007,010,583, based upon the closing price of \$16.60 per share as quoted on The Nasdaq Stock Market on that date.

As of August 7, 2018, 383,389,025 shares of Class A Common Stock and 199,630,240 shares of Class B Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required for Part III of this Annual Report on Form 10-K is incorporated by reference to the News Corporation definitive Proxy Statement for its 2018 Annual Meeting of Stockholders, which shall be filed with the Securities and Exchange Commission pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, within 120 days of News Corporation's fiscal year end.

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PART I

ITEM 1. BUSINESS

OVERVIEW

The Company

News Corporation (the “Company,” “News Corp,” “we,” “us,” or “our”) is a global diversified media and information services company focused on creating and distributing authoritative and engaging content to consumers and businesses throughout the world. The Company comprises businesses across a range of media, including: news and information services, book publishing, digital real estate services and subscription video services in Australia, that are distributed under some of the world’s most recognizable and respected brands, including *The Wall Street Journal*, Dow Jones, *The Australian*, *Herald Sun*, *The Sun*, *The Times*, HarperCollins Publishers, Foxtel, FOX SPORTS Australia, realestate.com.au, realtor.com®, talkSPORT and many others.

The Company’s commitment to premium content makes its properties a premier destination for news, information and entertainment. The Company delivers its content to consumers across various distribution platforms consisting not only of traditional print and television, but also through an array of digital platforms including websites, applications for mobile devices and tablets, social media and e-book devices. The Company is focused on pursuing integrated strategies across its businesses to maximize revenue opportunities from the distribution of its content, including by continuing to capitalize on the growth in digital consumption of high-quality content. The Company believes that the increasing number of media choices and formats will allow it to continue to deliver its content in a more engaging, timely and personalized manner and provide opportunities to more effectively monetize its content via strong customer relationships and more compelling and engaging advertising solutions. The Company is pursuing multiple strategies to exploit these opportunities, including sharing technologies and practices across geographies and businesses and bundling selected offerings to provide greater value to consumers and advertising partners.

The Company’s diversified revenue base includes advertising sales, recurring subscriptions, circulation copies, sales of real estate listing products, licensing fees, affiliate fees, direct sales and sponsorship sales. Headquartered in New York, the Company operates primarily in the United States, Australia and the U.K., and its content is distributed and consumed worldwide. The Company’s operations are organized into five reporting segments: (i) News and Information Services; (ii) Book Publishing; (iii) Digital Real Estate Services; (iv) Subscription Video Services; and (v) Other, which includes the Company’s general corporate overhead expenses, corporate Strategy Group and costs related to the U.K. Newspaper Matters, as defined in “Item 3. Legal Proceedings.”

The Company maintains a 52-53 week fiscal year ending on the Sunday nearest to June 30 in each year. Fiscal 2018, fiscal 2017 and fiscal 2016 included 52, 52 and 53 weeks, respectively. Unless otherwise noted, all references to the fiscal years ended June 30, 2018, June 30, 2017 and June 30, 2016 relate to the fiscal years ended July 1, 2018, July 2, 2017 and July 3, 2016, respectively. For convenience purposes, the Company continues to date its financial statements as of June 30.

Corporate Information

News Corporation is a Delaware corporation originally organized on December 11, 2012 in connection with its separation (the “Separation”) from Twenty-First Century Fox, Inc. (formerly named News Corporation) (“21st Century Fox”), which was completed on June 28, 2013 (the “Distribution Date”). In connection with the Separation, the Company assumed the name “News Corporation.” Unless otherwise indicated, references in this Annual Report on Form 10-K for the fiscal year ended June 30, 2018 (the “Annual Report”) to the “Company,” “News Corp,” “we,” “us,” or “our” means News Corporation and its subsidiaries. The Company’s principal executive offices are located at 1211 Avenue of the Americas, New York, New York 10036, and its telephone number is (212) 416-3400. The Company’s Class A and Class B Common Stock are listed on The Nasdaq Global

Select Market (“Nasdaq”) under the trading symbols “NWSA” and “NWS,” respectively, and CHESD Depository Interests (“CDIs”) representing the Company’s Class A and Class B Common Stock are listed on the Australian Securities Exchange (“ASX”) under the trading symbols “NWSLV” and “NWS,” respectively. More information regarding the Company is available on its website at www.newscorp.com, including the Company’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are available, free of charge, as soon as reasonably practicable after the material is electronically filed with or furnished to the Securities and Exchange Commission (“SEC”). The information on the Company’s website is not, and shall not be deemed to be, a part of this Annual Report or incorporated into any other filings it makes with the SEC.

Special Note Regarding Forward-Looking Statements

This document and any documents incorporated by reference into this Annual Report, including “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contain statements that constitute “forward-looking statements” within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended. All statements that are not statements of historical fact are forward-looking statements. The words “expect,” “estimate,” “anticipate,” “predict,” “believe” and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, trends affecting the Company’s financial condition or results of operations and the outcome of contingencies such as litigation and investigations. Readers are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. More information regarding these risks, uncertainties and other important factors that could cause actual results to differ materially from those in the forward-looking statements is set forth under the heading “Item 1A. Risk Factors” in this Annual Report. The Company does not ordinarily make projections of its future operating results and undertakes no obligation (and expressly disclaims any obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review this document and the other documents filed by the Company with the SEC. This section should be read together with the Consolidated Financial Statements of News Corporation (the “Financial Statements”) and related notes set forth elsewhere in this Annual Report.

BUSINESS OVERVIEW

Foxtel and FOX SPORTS Australia Combination

In April 2018, News Corp and Telstra Corporation Limited (“Telstra”) combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company, NXE Australia Pty Limited (the “Transaction”), which is referred to as “new Foxtel” in this Annual Report. Following completion of the Transaction, News Corp owns a 65% interest in new Foxtel, with Telstra owning the remaining 35%. The results of new Foxtel are included within the former Cable Network Programming segment, which has been renamed the Subscription Video Services segment.

Business Segments

The Company's five reporting segments are described below. For financial information regarding the Company's segments and operations in geographic areas, see Note 20 to the Financial Statements. For information regarding revenues generated by the principal products and services of each segment and pro forma financial information reflecting the Transaction, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

	<u>For the fiscal year ended June 30, 2018</u>	
	<u>Revenues</u>	<u>Segment EBITDA</u>
	<u>(in millions)</u>	
News and Information Services	\$ 5,119	\$ 392
Book Publishing	1,758	244
Digital Real Estate Services	1,141	401
Subscription Video Services	1,004	173
Other	2	(138)
Total	<u>\$ 9,024</u>	<u>\$1,072</u>

News and Information Services

The Company's News and Information Services segment consists primarily of Dow Jones, News Corp Australia, News UK, the *New York Post* and News America Marketing. This segment also includes Unruly, a global video advertising marketplace, Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency that enables the Company to source real-time video content through social media platforms. The News and Information Services segment generates revenue primarily through sales of print and digital advertising and circulation and subscriptions to its print and digital products. Advertising revenues at the News and Information Services segment are subject to seasonality, with revenues typically being highest in the Company's second fiscal quarter due to the end-of-year holiday season in its main operating geographies.

Dow Jones

Dow Jones is a global provider of news and business information, which distributes its content and data through a variety of media channels including newspapers, newswires, websites, applications for mobile devices, tablets and e-book readers, newsletters, magazines, proprietary databases, live journalism, video and podcasts. Dow Jones's products, which target individual consumer and enterprise customers, include *The Wall Street Journal*, Factiva, Dow Jones Risk & Compliance, Dow Jones Newswires, *Barron's*, MarketWatch and DJX. Dow Jones's revenue is diversified across business-to-consumer and business-to-business subscriptions, circulation, advertising, including custom content, sponsorships, licensing fees for its print and digital products and participation fees for its live journalism events. For the year ended June 30, 2018, consumer products and professional information products represented approximately 73% and 27%, respectively, of total Dow Jones revenues.

Consumer Products

Through its premier brands and authoritative journalism, Dow Jones's products targeting individual consumers provide insights, research and understanding that enable customers to stay informed and make educated financial decisions. With a focus on the financial markets, investing and other professional services, many of these products offer advertisers an attractive customer demographic. Products targeting consumers include the following:

- *The Wall Street Journal (WSJ)*. WSJ, Dow Jones's flagship product, is available in print, online and across multiple mobile, tablet and e-book devices. WSJ covers national and international news and

provides analysis, commentary and opinions on a wide range of topics, including business developments and trends, economics, financial markets, investing, science and technology, lifestyle, culture and sports. WSJ's print products are printed at plants located around the U.S., including seven owned by the Company. WSJ sells regional advertising in three major U.S. regional editions (Eastern, Central and Western) and 21 smaller sub-regional editions. WSJ's digital products offer both free and premium content and are comprised of WSJ.com, WSJ mobile products, including a responsive design website and applications for multiple mobile devices (WSJ Mobile), and live and on-demand video through WSJ.com and other platforms such as YouTube, Internet-connected television and set-top boxes (WSJ Video). For the 12 months ended June 30, 2018, WSJ Mobile (including WSJ.com accessed via mobile devices, as well as applications) accounted for approximately 55% of visits to WSJ's digital news and information products according to Adobe Analytics.

- *Dow Jones Media Group.* The Dow Jones Media Group focuses on Dow Jones consumer brands outside of The Wall Street Journal franchise, including *Barron's* and MarketWatch, among other properties.

Barron's. Barron's, which is available in print, online and on multiple mobile, tablet and e-book devices, delivers news, analysis, investigative reporting, company profiles and insightful statistics for investors and others interested in the investment world.

MarketWatch. MarketWatch is an investing and financial news website targeting active investors. It also provides real-time commentary and investment tools and data. Products include mobile and tablet applications, a mobile site and MarketWatch Premium Newsletters (paid newsletters on a variety of investing topics).

- *The Wall Street Journal Digital Network (WSJDN).* WSJDN offers advertisers the opportunity to reach Dow Jones's audience across a number of brands, including the WSJ.com, Barrons.com and MarketWatch.com websites.
- *Live Journalism.* Dow Jones offers a number of conferences and events throughout the year, including WSJ D.Live, its C-suite conferences such as CEO and CFO Council, the Women In series, the Future Of series, Global Food Forum and Barron's Summits. These live journalism programs offer advertisers and sponsors the opportunity to reach a select group of influential leaders from industry, finance, government and policy. Many of these programs also earn revenue from participation fees charged to attendees.

The following table provides information regarding issue sales and subscriptions for certain Dow Jones consumer products:

(in 000's)	<i>The Wall Street Journal</i> ⁽¹⁾		<i>Barron's</i> ⁽¹⁾	
	Average Global Issue Sales ⁽²⁾	Average Global Subscriptions	Average Global Issue Sales ⁽²⁾	Average Global Subscriptions
Print ⁽³⁾	1,036	885	308	298
Digital Only	1,604	1,590	202	202
Total	2,640	2,475	510	500

(1) Based on internal data for the period from April 2, 2018 to July 1, 2018, with independent assurance provided by Pricewaterhouse Coopers LLP UK.

(2) Average Global Issue Sales includes subscription and non-subscription categories. Non-subscription categories include, but are not limited to, single copy (newsstand) sales and copies purchased by hotels for distribution to guests.

(3) In addition to their print and digital-only products, *The Wall Street Journal* and *Barron's* sell print and digital products bundled into one subscription, which is counted only once, under "Print," in the table above.

The following table provides information regarding the digital platforms for certain Dow Jones consumer products:

	FY2018 Average Monthly Visits⁽¹⁾
WSJ	91 million
MarketWatch	58 million
WSJDN	162 million

⁽¹⁾ Includes visits via websites and mobile device and tablet applications based on Adobe Analytics for the 12 months ended June 30, 2018.

Professional Information Products

Dow Jones’s professional information products, which target enterprise customers, combine news and information with technology and tools that inform decisions and aid awareness, research and understanding. These products consist of its Knowledge and Insight, Dow Jones Risk & Compliance and Dow Jones Newswires products, which represented 47%, 26% and 27%, respectively, of fiscal 2018 professional information product revenues. Specific products include the following:

- *Knowledge and Insight.* Dow Jones Knowledge and Insight products provide data and analysis from curated sources and include:
 - *Factiva.* Factiva is a leading provider of global business content, built on an archive of important original and licensed publishing sources. This combination of business news and information, plus sophisticated tools, helps professionals find, monitor, interpret and share essential information. As of June 30, 2018, there were approximately 1.2 million activated Factiva users, including both institutional and individual accounts. Factiva offers content from over 33,000 global news and information sources from over 200 countries and in 28 languages. Factiva leverages complex metadata extraction and text mining to help its customers build precise searches and alerts to access and monitor this data.
 - *DJX.* DJX is comprised of a bundle of underlying products, including Factiva, Dow Jones Newswires, certain Private Equity & Venture Capital products, certain Risk & Compliance products, WSJ.com and Barrons.com.
- *Dow Jones Risk & Compliance.* Dow Jones Risk & Compliance products provide data solutions for customers focused on anti-corruption, anti-money laundering, monitoring embargo and sanction lists and other compliance requirements. Dow Jones’s solutions allow customers to filter their business transactions and partners against its data to identify regulatory, corporate and reputational risk, and request follow-up due diligence reports. Products include online risk data and negative news searching tools such as Risk Database Search/Research/Premium and the Risk & Compliance Portal for batch screening. Feed services include Dow Jones Watchlist, Dow Jones Anti-Corruption, Dow Jones Sanction Alert and Adverse Media Entities. In addition, Dow Jones produces customized Due Diligence Reports to assist its customers with regulatory compliance.
- *Dow Jones Newswires.* Dow Jones Newswires distributes real-time business news, information, analysis, commentary and statistical data to financial professionals and investors worldwide. It publishes, on average, over 14,000 news items each day, which are distributed via terminals, trading platforms and websites reaching hundreds of thousands of financial professionals. This content also reaches millions of individual investors via customer portals and the intranets of brokerage and trading firms, as well as digital media publishers.

News Corp Australia

News Corp Australia is one of the leading news and information providers in Australia by readership, owning over 200 newspapers covering a national, regional and suburban footprint. During the year ended May 31, 2018, its daily, Sunday, weekly and bi-weekly newspapers were read by over 8.4 million Australians on average every week. In addition, its digital mastheads and other websites are among the leading digital news properties in Australia based on monthly unique audience data.

News Corp Australia's news portfolio includes *The Australian* and *The Weekend Australian* (National), *The Daily Telegraph* and *The Sunday Telegraph* (Sydney), *Herald Sun* and *Sunday Herald Sun* (Melbourne), *The Courier Mail* and *The Sunday Mail* (Brisbane) and *The Advertiser* and *Sunday Mail* (Adelaide), as well as paid digital platforms for each. In addition, News Corp Australia owns a large number of community newspapers in all major capital cities and leading regional publications in Geelong, across the state of Queensland and in the capital cities of Hobart and Darwin.

The following table provides information regarding key properties within News Corp Australia's portfolio:

	Average Daily Paid Print Circulation ⁽¹⁾	Total Paid Subscribers for Combined Masthead (Print and Digital) ⁽²⁾	Total Monthly Audience for Combined Masthead (Print and Digital) ⁽³⁾
<i>The Australian (Mon – Fri)</i>	88,581	135,783	3.2 million
<i>The Weekend Australian (Sat)</i>	215,228		
<i>The Daily Telegraph (Mon – Sat)</i>	192,007	114,203	4.6 million
<i>The Sunday Telegraph</i>	334,209		
<i>Herald Sun (Mon – Sat)</i>	278,066	108,801	4.1 million
<i>Sunday Herald Sun</i>	325,592		
<i>The Courier Mail (Mon – Sat)</i>	125,010	80,291	3.0 million
<i>The Sunday Mail</i>	259,689		
<i>The Advertiser (Mon – Sat)</i>	106,171	85,770	1.5 million
<i>Sunday Mail</i>	166,139		

(1) For the year ended June 30, 2018, based on internal sources.

(2) As of June 30, 2018, based on internal sources.

(3) For the month of May 2018, based on Enhanced Media Metrics Australia ("EMMA") average monthly print data for the year ended May 31, 2018 and Nielsen desktop, mobile and tablet audience data for May 2018. EMMA data incorporates more frequent sampling and combines both online usage derived from Nielsen data and print usage into a single metric that removes any audience overlap.

News Corp Australia's broad portfolio of digital properties also includes news.com.au, the leading general interest site in Australia that provides breaking news, finance, entertainment, lifestyle, technology and sports news and delivers an average monthly unique audience of approximately 9.1 million based on Nielsen monthly total audience ratings for the year ended June 30, 2018. In addition, News Corp Australia owns other premier properties such as taste.com.au, a leading food and recipe site, and kidspot.com.au, a leading parenting website, as well as various other digital media assets. As of June 30, 2018, News Corp Australia's other assets included a 13.5% interest in HT&E Limited, which operates a portfolio of Australian radio and outdoor media assets, and a 30.2% interest in Hipages Group Pty Ltd., which operates a leading on-demand home improvement services marketplace.

News UK

News UK publishes *The Sun*, *The Sun on Sunday*, *The Times* and *The Sunday Times*, which are leading newspapers in the U.K. that together accounted for approximately one-third of all national newspaper sales as of June 30, 2018. *The Sun* is the most read national newspaper in the U.K., and *The Times* and *The Sunday Times* are the leading quality U.K. news brands across print and digital audiences, based on PAMCo data for the year

ended March 31, 2018. News UK’s newspapers (except some Saturday and Sunday supplements) are printed at News UK’s world-class printing facilities in England, Scotland and Ireland. In addition to revenue from advertising, circulation and subscription sales for its print and digital products, News UK generates revenue by providing third party printing services through these facilities and is one of the largest contract printers in the U.K. News UK also distributes content through its digital platforms, including its websites, thesun.co.uk, thetimes.co.uk and theSundaytimes.co.uk, as well as mobile and tablet applications. News UK’s online and mobile offerings include the rights to show English Premier League Football match clips across its digital platforms. In addition, News UK has assembled a portfolio of complementary ancillary product offerings, including Sun Bingo. The following table provides information regarding News UK’s news portfolio:

	Print Average Issue Readership⁽¹⁾	Average Daily Paid Print Circulation⁽²⁾	Paid Subscribers⁽³⁾	Online Global Monthly Unique Visitors⁽⁵⁾
<i>The Sun (Mon – Sat)</i>	3,180,000	1,451,584	N/A	85 million
<i>The Sun on Sunday</i>	2,746,000	1,224,119	N/A	
<i>The Times (Mon – Sat)</i>	1,007,000	428,034	173,000 (print) ⁽⁴⁾ 219,000 (digital)	N/A
<i>The Sunday Times</i>	1,777,000	721,808	213,000 (print) ⁽⁴⁾ 243,000 (digital)	N/A

- (1) Based on Publishers Audience Measurement Company (“PAMCo”) data for the 12 months ended March 31, 2018.
- (2) Based on Audit Bureau of Circulation (“ABC”) data for the six months ended June 30, 2018.
- (3) As of June 30, 2018, based on internal sources.
- (4) In addition to their print and digital-only products, *The Times* and *The Sunday Times* sell print and digital products bundled into one subscription, which is counted only once, under “print,” in the table above.
- (5) Based on ABC Electronic (Omniure) data for the month ended June 30, 2018.

New York Post

NYP Holdings (“NYP”) is the publisher of the *New York Post* (the “*Post*”), NYPost.com, PageSix.com, Decider.com and related mobile and tablet applications and social media channels. The *Post* is the oldest continuously published daily newspaper in the U.S., with a focus on coverage of the New York metropolitan area. The *Post* provides a variety of general interest content ranging from breaking news to business analysis, and is known in particular for its comprehensive sports coverage, famous headlines and its iconic Page Six section, an authority on celebrity news. The print version of the *Post* is primarily distributed in New York, where it is printed in a printing facility in the Bronx, as well as throughout the Northeast, Florida and California, where it uses Dow Jones’s printing facilities or third party printers. For the three months ended June 30, 2018, average weekday circulation based on Alliance for Audited Media data, including mobile and tablet application digital editions, was 422,424. In addition, the Post Digital Network, which includes NYPost.com, PageSix.com and Decider.com, reached approximately 99.2 million unique users on average each month during the quarter ended June 30, 2018 according to Google Analytics. NYP also co-produces “Page Six TV,” a daily television show modeled after the *Post*’s Page Six section and delivering in-the-know gossip and news from entertainment, culture, the media, finance, real estate and politics.

News America Marketing

News America Marketing (“NAM”) is the premier marketing partner of some of the world’s most well-known brands, and its broad network of shopper media, incentive platforms and custom merchandising services influences the purchasing decisions of online and offline shoppers across the U.S. and Canada. NAM’s marketing solutions are available via multiple distribution channels, including publications, in stores and online, primarily under the SmartSource brand name and through the Checkout 51 mobile application.

NAM provides customers with solutions across the shopper's path to purchase, focusing primarily on the following three business areas:

- *Home-Delivered:* NAM is one of the leading providers of home-delivered shopper media, including free-standing inserts and direct mail products. Free-standing inserts are multiple-page marketing booklets containing coupons, rebates and other consumer offers, which are distributed to millions of households under the SmartSource Magazine® brand through insertion primarily into local Sunday publications. Advertisers, primarily packaged goods companies, pay NAM to produce free-standing inserts where their offers are featured, often on an exclusive basis within their product category. NAM contracts with and pays publishers as well as printers, among others, to produce and/or distribute free-standing inserts in their papers.
- *In-Store Advertising and Merchandising:* NAM is a leading provider of in-store marketing products and services, primarily to consumer packaged goods manufacturers. NAM's marketing products include at-shelf advertising such as coupon, information and sample-dispensing machines, as well as floor and shopping cart advertising, among others, and are found in thousands of shopping locations, including supermarkets, drug stores, dollar stores, office supply stores, mass merchandisers and specialty stores across North America. NAM also provides in-store merchandising services, including production and installation of instant-redeemable coupons, on-pack stickers, shipper assembly, display set-up and refilling, shelf management and new product cut-ins.
- *Mobile/Digital:* NAM's digital marketing solutions include SmartSource Digital, which encompasses secure printable couponing, load-to-card couponing, targeted email campaigns and programmatic digital display, and the Checkout 51 mobile application, a leading receipt recognition application that enables packaged goods companies and brands to reach consumers with highly personalized marketing campaigns.

NAM believes its programs have key advantages when compared to other marketing options available to packaged goods companies, retailers and other marketers. NAM offers effective and targeted programs that reach a national audience of consumers who are actively seeking incentives or information at critical points along the path to purchase.

The Company's News and Information Services products compete with a wide range of media businesses, including print publications, digital media and information services.

The Company's newspapers, magazines, digital publications and radio stations compete for consumers, audience and advertising with other local and national newspapers, web and application-based media, magazines and radio stations, social media sources, as well as other media such as television and outdoor displays. Competition for subscriptions and circulation is based on news and editorial content, subscription pricing, cover price and, from time to time, various promotions. Competition for advertising is based upon advertisers' judgments as to the most effective media for their advertising budgets, which is in turn based upon various factors, including circulation volume, readership levels, audience demographics, advertising rates and advertising effectiveness. As a result of rapidly changing and evolving technologies, distribution platforms and business models, the consumer-focused businesses within the Company's News and Information Services segment, including its newspaper businesses, continue to face increasing competition for both circulation and advertising revenue from a variety of alternative news and information sources. These include both paid and free websites, digital applications, news aggregators, blogs, search engines, social media platforms, digital advertising networks and exchanges, bidding and other programmatic advertising buying channels, as well as other emerging media and distribution platforms. Shifts in consumer behavior, including the widespread adoption of mobile phones, tablets, e-book readers and other portable devices as platforms through which news and information is consumed, require the Company to continually innovate and improve upon its own products, services and platforms in order to remain competitive. The Company believes that these changes will continue to pose opportunities and challenges, and that it is well positioned to leverage its global reach, brand recognition and proprietary technology to take advantage of the opportunities presented by these changes.

Dow Jones professional information products that target enterprise customers compete with various information service providers, compliance data providers and global financial newswires, including Thomson Reuters, Bloomberg L.P., LexisNexis, as well as many other providers of news, information and compliance data.

NAM competes against other providers of advertising, marketing and merchandising products and services, including those that provide promotional or advertising inserts, direct mailers of promotional or advertising materials, providers of point-of-purchase and other in-store programs and providers of savings and/or grocery-focused digital applications, as well as other marketing products and services. Competition is based on, among other things, rates, availability of markets, quality of products and services provided and their effectiveness, rate of coupon redemption, store coverage and other factors. The Company believes that based on the scale of NAM's home-delivered products, the reach of its in-store marketing products and the growing audience for its digital marketing platform, NAM provides broader consumer access than many of its competitors. The Company is also actively investing in shopper research and data-based insights that enable an advanced understanding of how to apply the Company's media and incentive network to achieve the greatest impact and value for clients and partners.

Book Publishing

The Company's Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world based on global revenue, with operations in 18 countries. HarperCollins publishes and distributes consumer books globally through print, digital and audio formats. Its digital formats include e-books and downloadable audio books for tablets, e-book readers and mobile devices. HarperCollins owns more than 120 branded imprints, including Harper, William Morrow, HarperCollins Children's Books, Avon, Harlequin and Christian publishers Zondervan and Thomas Nelson.

HarperCollins publishes works by well-known authors such as Harper Lee, Patricia Cornwell, Chip and Joanna Gaines, Rick Warren, Sarah Young and Agatha Christie and popular titles such as *The Hobbit*, *Goodnight Moon*, *To Kill a Mockingbird*, *Jesus Calling* and *Hillbilly Elegy*. Its print and digital global catalog includes more than 200,000 publications in different formats, in 17 languages, and it licenses rights for its authors' works to be published in more than 50 languages around the world. HarperCollins publishes fiction and nonfiction, with a focus on general, children's and religious content. Additionally, in the U.K., HarperCollins publishes titles for the equivalent of the K-12 educational market.

As of June 30, 2018, HarperCollins offered approximately 100,000 publications in digital formats, and nearly all of HarperCollins' new titles, as well as the majority of its entire catalog, are available as e-books. Digital sales, comprising revenues generated through the sale of e-books as well as downloadable audio books, represented approximately 19% of global consumer revenues for the fiscal year ended June 30, 2018. With the widespread adoption of electronic formats by consumers, HarperCollins is publishing a number of titles in digital formats before, or instead of, publishing a print edition.

During fiscal 2018, HarperCollins U.S. had 118 titles on the *New York Times* print and digital bestseller lists, with 20 titles hitting number one, including *Hillbilly Elegy* by J.D. Vance, *The Hate U Give* by Angie Thomas, *The Subtle Art of Not Giving a F*ck* by Mark Manson, *The Woman in the Window* by A.J. Finn, *Hidden Figures* by Margot Lee Shetterly, *Hello, Universe* by Erin Hunter, *Dear Girl* by Amy Krouse Rosenthal & Paris Rosenthal, *Big Nate* by Lincoln Pierce, *The Pioneer Woman Cooks: Come and Get It* by Ree Drummond, and *The Plant Paradox* by Steven R. Grundy.

HarperCollins derives its revenue from the sale of print and digital books to a customer base that includes global technology companies, traditional brick and mortar booksellers, wholesale clubs and discount stores, including Amazon, Apple, Barnes & Noble and Tesco. Revenues at the Book Publishing segment are significantly affected by the timing of releases and the number of HarperCollins' books in the marketplace, and are typically highest during the Company's second fiscal quarter due to increased demand during the end-of-year holiday season in its main operating geographies.

The book publishing business operates in a highly competitive market that is quickly changing and continues to see technological innovations. HarperCollins competes with other large publishers, such as Penguin Random House, Simon & Schuster and Hachette Livre, as well as with numerous smaller publishers, for the rights to works by well-known authors and public personalities; competition could also come from new entrants as barriers to entry in book publishing are low. In addition, HarperCollins competes for consumers with other media formats and sources such as movies, television programming, magazines and mobile content. The Company believes HarperCollins is well positioned in the evolving book publishing market with significant size and brand recognition across multiple categories and geographies. Furthermore, HarperCollins is a leader in children's and religious books, categories which have been less impacted by the transition to digital consumption.

Digital Real Estate Services

The Company's Digital Real Estate Services segment consists of its 61.6% interest in REA Group, a publicly-traded company listed on ASX (ASX: REA), and its 80% interest in Move. The remaining 20% interest in Move is held by REA Group.

REA Group

REA Group is a market-leading digital media business specializing in property, with operations focused on property and property-related advertising and services, as well as financial services.

Property and Property-Related Advertising and Services

REA Group advertises property and property-related services on its websites and mobile applications across Australia and Asia. REA Group's Australian operations include realestate.com.au and realcommercial.com.au, Australia's leading residential and commercial property websites, as well as its media and property-related services businesses, serving the display media market and markets adjacent to property, respectively. For the year ended June 30, 2018, combined average monthly visits on all platforms were approximately 74.6 million for realestate.com.au and over 25.0 million for realcommercial.com.au based on Nielsen Online Market Intelligence Home and Fashion Suite and Nielsen Digital Content Ratings data. The realestate.com.au mobile application has been downloaded over 7.9 million times and launched more than any other property application according to Nielsen Digital Content Ratings. Realestate.com.au derives the majority of its revenue from its core property advertising listing products and monthly advertising subscriptions from real estate agents and property developers. Realestate.com.au offers a product hierarchy which enables real estate agents and property developers to upgrade listing advertisements to increase their prominence on the site, as well as a variety of targeted products, including media display advertising products. Realcommercial.com.au generates revenue through three main sources: agent subscriptions, agent branding and listing products. The media business offers unique advertising opportunities on both realestate.com.au and realcommercial.com.au to property developers and other relevant markets, including utilities and telecommunications, insurance, finance, automotive and retail. REA Group also provides residential property data services to the financial sector through the recently acquired Hometrack Australia Pty Ltd.

REA Group's international operations consist of property sites throughout Asia and include iProperty Group Limited, which operates leading property portals across Malaysia and Indonesia and prominent portals in Hong Kong, Thailand and Singapore. iProperty continued to strengthen its leadership in Malaysia and Indonesia in fiscal 2018 with the release of new applications and responsive websites, and in Singapore, visits to its new property portal, iproperty.com.sg, increased 116% between its launch in October 2017 and June 30, 2018 according to SimilarWeb. REA Group also operates Chinese site myfun.com, which supports REA Group's businesses in other geographic markets by showcasing residential property listings to Chinese buyers and investors, and delivers leads to agents. REA Group's other assets include an approximate 14% interest in Elara Technologies Pte. Ltd. ("Elara"), a leading online real estate services provider in India that owns and operates PropTiger.com, Housing.com and Makaan.com, and a 20% interest in Move, as referenced above.

Financial Services

In fiscal 2018, REA Group launched its financial services offering, encompassing realestate.com.au Home Loans, an end-to-end digital property search and financing experience, and mortgage broking services, both through an integrated mortgage broking solution, as well as Smartline Home Loans Pty Limited, one of Australia's premier mortgage broking companies. The financial services business generates revenue primarily through fees and commissions from lenders, mortgage brokers and other customers.

REA Group competes primarily with other property websites in its geographic markets, including domain.com.au in Australia.

Move

Move is a leading provider of online real estate services in the U.S. Move primarily operates realtor.com[®], a premier real estate information and services marketplace, under a perpetual agreement and trademark license with the National Association of Realtors[®] ("NAR"). Through realtor.com[®], consumers have access to over 130 million properties across the U.S., including an extensive collection of homes and properties listed and displayed for sale and a large database of "off-market" properties. Realtor.com[®] and its related mobile applications display approximately 98% of all Multiple Listing Services ("MLS")-listed, for-sale and rental properties in the U.S., which are primarily sourced directly from relationships with MLSs across the country. Approximately 95% of its for-sale listings are updated at least every 15 minutes, on average, with the remaining listings updated daily. Realtor.com[®]'s content attracts a highly engaged consumer audience. Based on internal data, realtor.com[®] and its mobile sites had 63 million average monthly unique users during the quarter ended June 30, 2018. These users viewed an average of over two billion pages and spent an average of nearly two billion minutes on the realtor.com[®] website and mobile applications each month.

Realtor.com[®] generates the majority of its revenues through the sale of listing advertisement products, including ConnectionsSM for Buyers and AdvantageSM Pro, which allow real estate agents, brokers and franchises to enhance, prioritize and connect with consumers on for-sale property listings within the realtor.com[®] website and mobile applications. Listing advertisements are typically sold on a subscription basis. Realtor.com[®] also derives revenue from sales of non-listing advertisement, or Media, products to real estate, finance, insurance, home improvement and other professionals that enable those professionals to connect with realtor.com[®]'s highly engaged and valuable consumer audience. Media products include sponsorships, display advertisements, text links, directories and Digital Advertising Package. Non-listing advertisement pricing models include cost per thousand, cost per click, cost per unique user and subscription-based sponsorships of specific content areas or targeted geographies.

In addition to realtor.com[®], Move also offers a number of professional software and services products. These include the Top Producer[®] and FiveStreet[®] productivity and lead management tools and services, which are tailored to real estate agents and sold on a subscription basis, as well as the ListHubTM service, which syndicates for-sale listing information from MLSs and other reliable data sources, such as real estate brokerages, and distributes that content to an array of web sites. Listing syndication pricing includes fixed- or variable-pricing models based on listing counts, while ListHubTM's advanced reporting products are sold on a monthly subscription basis.

Move competes primarily with other real estate websites and mobile applications focused on the U.S. real estate market, including zillow.com and trulia.com.

Subscription Video Services

The Company's Subscription Video Services segment provides video sports, entertainment and news services to pay-TV subscribers and other commercial licensees, primarily via cable, satellite and Internet Protocol, or IP, distribution, and consists of (i) its 65% interest in new Foxtel and (ii) Australian News Channel Pty Ltd ("ANC"). The remaining 35% interest in new Foxtel is held by Telstra.

New Foxtel

New Foxtel is the largest pay-TV provider in Australia, delivering over 200 channels (including standard definition channels, high definition versions of some of those channels and audio and interactive channels) covering sports, general entertainment, movies, documentaries, music, children's programming and news. New Foxtel offers the leading sports programming content in Australia, with a suite of sports channels that includes FOX SPORTS 501, FOX LEAGUE, FOX SPORTS 503, FOX FOOTY, FOX SPORTS 505, FOX SPORTS 506, FOX SPORTS MORE and FOX SPORTS NEWS. It also expects to launch a new FOX CRICKET channel beginning with the 2018 cricket season. New Foxtel's channels together broadcast over 13,000 hours of live sports programming per year, encompassing both live national and international licensed sports events such as National Rugby League, Australian Football League, Cricket Australia, the domestic football league, the Australian Rugby Union and various motorsports programming, as well as other featured original and licensed premium sports content tailored to the Australian market. New Foxtel's premium entertainment and news content includes television programming from HBO, FOX and Universal, among others, 29 channels owned and operated by new Foxtel, including general entertainment and movie channels, and an extensive range of movie programming sourced through arrangements with major U.S. studios.

New Foxtel's channels are distributed to subscribers via both Telstra's hybrid fibrecoaxial cable network and a long-term contracted satellite platform provided by Optus. Cable and satellite distribution is enabled by new Foxtel's set-top boxes, including the iQ3. New Foxtel also offers versions of its services via the Internet through Foxtel Now, an Internet television service available on a number of compatible devices (including the Foxtel Now box, mobile phones, tablets, personal computers, Chromecast, Telstra TV, Sony PlayStation, Xbox One and select smart TVs). In addition, cable, satellite and Foxtel Now subscribers have access to Foxtel App, an Internet television companion service that allows subscribers to watch new Foxtel's content via mobile devices and tablets. New Foxtel also offers a triple play bundle product, which consists of new Foxtel's existing pay-TV services, sold together with broadband and home phone services. In addition to its pay-TV services, New Foxtel operates foxsports.com.au, a leading general sports website in Australia, and Watch NRL and Watch AFL internationally.

New Foxtel generates revenue primarily through subscription revenue as well as advertising revenue. Results at new Foxtel can fluctuate due to the timing and mix of its local and international sports programming, as expenses associated with licensing certain programming rights are recognized during the applicable season or event. The following table provides information regarding certain key performance indicators for new Foxtel:

	<u>FY 2018</u>
Total Subscribers ⁽¹⁾	2,824,645
ARPU ⁽²⁾	A\$80.45 (US\$59.58)
Churn ⁽³⁾	13.8%

- (1) Subscribing households and residential equivalent business units throughout Australia as of June 30, 2018. Total number of subscribers represents total residential and commercial subscribers to the Company's pay-TV services through cable, satellite and IP distribution, including subscribers obtained through third-party distribution relationships. Commercial subscribers are calculated as residential equivalent units, which are derived by dividing total revenue from these subscribers by an estimated average residential ARPU (as defined below) which is held constant through the year. Customers receiving service for no charge under certain new subscriber promotions are excluded from the Company's subscriber count.
- (2) Average monthly broadcast residential subscription revenue per user (excluding Optus) (Broadcast ARPU) for the year ended June 30, 2018. The Company calculates Broadcast ARPU by dividing broadcast package revenues for the period, net of customer credits, promotions and other discounts, by average cable and satellite residential subscribers for the period and dividing by the number of months in the period. Average cable and satellite residential subscribers for the period is calculated by adding the beginning and ending cable and satellite residential subscribers for the period and dividing by two.

- (3) Broadcast residential subscriber churn rate (Broadcast subscriber churn) for the year ended June 30, 2018. Broadcast subscriber churn represents the number of cable and satellite residential subscribers whose service is disconnected, expressed as a percentage of the average total number of cable and satellite residential subscribers, presented on an annual basis. The Company calculates Broadcast subscriber churn by dividing the total number of disconnected cable and satellite residential subscribers for the period, net of reconnects and transfers, by the average subscribers for the period, which is calculated by adding the beginning and ending cable and satellite residential subscribers for the period and dividing by two. This amount is then divided by the number of days in the period and multiplied by 365 days to present churn on an annual basis.

New Foxtel competes for audiences primarily with the Free To Air (“FTA”) TV operators in Australia, including the three major commercial FTA networks and two major government-funded FTA broadcasters, as well as other pay-TV operators, IP television, or IPTV, providers and subscription video-on-demand, or SVOD, services such as Fetch TV, Netflix, Stan, Amazon Prime Video, hayu and Mubi. The Company believes that new Foxtel’s premium and exclusive content, wide array of digital and mobile features that enable subscribers to record, rewind, discover and watch content, its investment in On Demand capability and programming and benefits through broadband bundling enable it to offer subscribers a compelling alternative to its competitors.

Australian News Channel

ANC operates 10 channels featuring the latest in news, politics, sports, entertainment, public affairs, business and weather. ANC is licensed by Sky International AG to use Sky trademarks and domain names in connection with its operation and distribution of channels and services. ANC’s channels consist of Sky News Live, Sky News Business, Fox Sports News, Sky News Weather, Sky News UK, Sky News Extra, Sky News Extra 1, Sky News Extra 2, Sky News Extra 3 and Sky News New Zealand. ANC channels are distributed throughout Australia and New Zealand and available on Foxtel and Sky Network Television NZ. ANC also owns and operates the international Australia Channel IPTV service and offers content across a variety of digital media platforms, including mobile, podcasts and social media websites. In addition, ANC has program supply arrangements with third parties such as WIN Corporation. ANC primarily generates revenue through monthly affiliate fees received from pay-TV providers based on the number of subscribers and advertising.

ANC competes primarily with other news providers in Australia and New Zealand via its subscription television channels, third party content arrangements and free domain website. Its Australia Channel IPTV service also competes against “over-the-top” IPTV subscription-based news providers in regions outside of Australia and New Zealand.

Other

The Other segment includes the Company’s general corporate overhead expenses, corporate Strategy Group and costs related to the U.K. Newspaper Matters. The Company’s Strategy Group identifies new products and services across the Company’s businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions. Initiatives include News IQ, the Company’s data-driven digital advertising platform that enables targeting and engagement of premium audiences at scale across the Company’s network of assets. As part of its ongoing role in assessing potential acquisitions and investments, the Strategy Group also oversaw the Company’s acquisitions of Move, a leading provider of online real estate services in the U.S., Unruly, a global video advertising marketplace and Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K. The Strategy Group also oversees the Company’s strategic digital investments in India, including Elara, which owns PropTiger.com, Housing.com and Makaan.com.

Governmental Regulation

General

Various aspects of the Company's activities are subject to regulation in numerous jurisdictions around the world. The introduction of new laws and regulations in countries where the Company's products and services are produced or distributed, and changes in the enforcement of existing laws and regulations in those countries, could have a negative impact on the Company's interests.

Australian Media Regulation

The Company's subscription television interests are subject to Australia's regulatory framework for the broadcasting industry, including the Australian Broadcasting Services Act 1992 (Cth) (the "Broadcasting Services Act") and the Telecommunications Act 1997 (Cth) (the "Telecommunications Act") and associated Codes. The key regulatory body for the Australian broadcasting industry is the Australian Communications and Media Authority.

Key regulatory issues for subscription television providers include: (a) anti-siphoning restrictions—currently under the 'anti-siphoning' provisions of the Broadcasting Services Act, subscription television providers are prevented from acquiring rights to televise certain listed events (for example, the Olympic Games and certain Australian Rules football and cricket matches) unless national and commercial television broadcasters have not obtained these rights 26 weeks before the start of the event or the rights to televise are also held by commercial television licensees who have rights to televise the event to more than 50% of the Australian population or the rights to televise are also held by one of Australia's two major government-funded broadcasters; (b) other parts of the Broadcasting Services Act that may impact the Company's ownership structure and operations and restrict its ability to take advantage of acquisition or investment opportunities; and (c) various consumer protection regimes under the Telecommunications Act and associated Codes, which apply to new Foxtel as a telecommunications service provider.

Data Privacy and Security

The Company's business activities are subject to laws and regulations governing the collection, use, sharing, protection and retention of personal data, which continue to evolve and have implications for how such data is managed. For example, in the U.S., certain of the Company's websites, mobile applications and other online business activities are subject to the Children's Online Privacy Protection Act of 1998, which prohibits websites from collecting personally identifiable information online from children under age 13 without prior parental consent. In addition, the Federal Trade Commission continues to expand its application of general consumer protection laws to commercial data practices, including to the use of personal and profiling data from online users to deliver targeted Internet advertisements. More state and local governments are also expanding, enacting or proposing data privacy laws that govern the collection and use of personal data of their residents and increase penalties and afford private rights of action to individuals in certain circumstances for failure to comply, and most states have enacted legislation requiring businesses to provide notice to state agencies and to individuals whose personally identifiable information has been disclosed as a result of a data breach.

Similar laws and regulations have been implemented in many of the other jurisdictions in which the Company operates, including the European Union and Australia. For example, the European Union adopted the General Data Protection Regulation ("GDPR"), which is intended to provide a uniform set of rules for personal data processing throughout the European Union and to replace the existing Data Protection Directive (Directive 95/46/EC). Fully applicable and enforceable as of May 25, 2018, the GDPR expands the regulation of the collection, processing, use and security of personal data, contains stringent conditions for consent from data subjects, strengthens the rights of individuals, including the right to have personal data deleted upon request, continues to restrict the trans-border flow of such data, requires companies to conduct privacy impact assessments to evaluate data processing operations that are likely to result in a high risk to the rights and

freedoms of individuals, requires mandatory data breach reporting and notification, significantly increases maximum penalties for non-compliance (up to 20 million Euros, or approximately 23 million U.S. dollars, or 4% of an entity's worldwide annual turnover in the preceding financial year, whichever is higher) and increases the enforcement powers of the data protection authorities. The European Union is also considering an update to its Privacy and Electronic Communication (e-Privacy) Directive with a regulation to, among other things, amend the current directive's rules on the use of cookies and opt-outs.

In 2016, the European Commission adopted a new mechanism for the transfer of personal data from the European Union to the United States called the Privacy Shield. The Company has not certified to, and does not rely on, the Privacy Shield framework for data transfers among the Company's businesses and instead relies on other mechanisms. However, certain of the Company's service providers do rely on the Privacy Shield. The Privacy Shield is subject to significant uncertainty, including an annual review procedure by U.S. and E.U. authorities, that could affect the Company's or its service providers' obligations thereunder. The other mechanisms that the Company and certain of its service providers rely on to address the European data protection requirements for transfers of data, including the European Union Standard Contractual Clauses, are also subject to uncertainty and legal challenges. Challenges to existing data transfer mechanisms, and any future legal challenges to data transfer mechanisms that may be adopted, could cause the Company to incur additional costs, require it to change business practices or affect the manner in which it provides its services.

In Australia, data privacy laws impose additional requirements on organizations that handle personal data by, among other things, requiring the disclosure of cross-border data transfers, placing restrictions on direct marketing practices and imposing mandatory data breach reporting, and additional data privacy and security requirements and industry standards are under consideration.

Industry participants in the U.S., Europe and Australia have taken steps to increase compliance with relevant industry-level standards and practices, including the implementation of self-regulatory regimes for online behavioral advertising that impose obligations on participating companies, such as the Company, to give consumers a better understanding of advertisements that are customized based on their online behavior.

The interpretation and application of data privacy and security laws are often uncertain, in flux, and evolving in the United States and internationally. The Company continues to monitor pending legislation and regulatory initiatives to ascertain relevance, analyze impact and develop strategic direction surrounding regulatory trends and developments, including any changes required in the Company's data privacy and security compliance programs.

U.K. Press Regulation

As a result of the implementation of recommendations of the Leveson inquiry into the U.K. press, a Press Recognition Panel responsible for approving, overseeing and monitoring a new press regulatory body or bodies was established. Once approved by the Press Recognition Panel, the new press regulatory body or bodies would be responsible for overseeing participating publishers. In addition to the new Press Recognition Panel, legislation has been passed that provides that publishers who are not members of an approved regulator may be liable for exemplary damages in certain cases where such damages are not currently awarded and, if Section 40 of the Crime and Courts Act 2013 is enacted, the payment of costs for both parties in libel actions in certain circumstances.

Publications representing the majority of the industry in the U.K., including News UK, entered into binding contracts to form an alternative new regulator instead, the Independent Press Standards Organisation, or IPSO. IPSO currently has no plans to apply for recognition from the Press Recognition Panel. IPSO has an independent chairman and a 12-member board, the majority of which are independent. IPSO oversees the Editors' Code of Practice, requires members to implement appropriate internal governance processes and requires self-reporting of any failures, provides a complaints handling service, has the ability to require publications to print corrections

and has the power to investigate serious or systemic breaches of the Editors' Code of Practice and levy fines of up to £1 million. IPSO has also introduced a pilot arbitration scheme to resolve claims against publications. The burdens IPSO imposes on its print media members, including the Company's newspaper publishing businesses in the U.K., may result in competitive disadvantages versus other forms of media and may increase the costs of regulatory compliance.

U.K. Radio Broadcasting Regulation

The Company's radio stations in the U.K. and Ireland are also subject to governmental regulation by the relevant broadcast authorities as the Company is required to obtain and maintain licenses from such authorities to operate these stations. Although the Company expects its licenses will, where relevant, be renewed in the ordinary course upon their expiration, there can be no assurance that this will be the case. Non-compliance by the Company with the requirements associated with such licenses or other applicable laws and regulations, including of the relevant authority, could result in fines, additional license conditions, license revocation or other adverse regulatory actions.

Intellectual Property

The Company's intellectual property assets include: copyrights in newspapers, books, television programming and other content and technologies; trademarks in names and logos; trade names; domain names; and licenses of intellectual property rights. These licenses include: (1) the sports programming rights licenses for the National Rugby League, Australian Football League, Cricket Australia, Football Federation Australia and Australian Rugby Union described in Note 16 to the Financial Statements; (2) licenses from various third parties, including ARRIS, of patents and other technology for the set-top boxes and related operating and conditional access systems used in the Company's pay-TV business; (3) the trademark license from NAR for the realtor.com[®] trademark and website address, as well as the REALTOR[®] trademark (the "NAR License"); and (4) the trademark licenses from Twentieth Century Fox Film Corporation and Fox International Channels (US) Inc. for the use of FOX formative trademarks used in the Company's pay-TV and sports programming businesses in Australia (the "Fox Licenses"). In addition, its intellectual property assets include patents or patent applications for inventions related to its products, business methods and/or services, none of which are material to its financial condition or results of operations. The Company derives value and revenue from these assets through, among other things, print and digital newspaper and magazine subscriptions and sales, subscriptions to its pay-TV services and distribution and/or licensing of its television programming to cable and satellite television services, the sale, distribution and/or licensing of print and digital books, the sale of subscriptions to its content and information services and the operation of websites and other digital properties.

The Company devotes significant resources to protecting its intellectual property assets in the U.S., the U.K., Australia and other foreign territories. To protect these assets, the Company relies upon a combination of copyright, trademark, unfair competition, patent, trade secret and other laws and contract provisions. However, there can be no assurance of the degree to which these measures will be successful in any given case. Policing unauthorized use of the Company's products, services and content and related intellectual property is often difficult and the steps taken may not in every case prevent the infringement by unauthorized third parties of the Company's intellectual property. The Company seeks to limit such threat through a combination of approaches, including pursuing legal sanctions for infringement, promoting appropriate legislative initiatives and international treaties and enhancing public awareness of the meaning and value of intellectual property and intellectual property laws. Piracy, including in the digital environment, continues to present a threat to revenues from products and services based on intellectual property.

Third parties may challenge the validity or scope of the Company's intellectual property from time to time, and such challenges could result in the limitation or loss of intellectual property rights. Irrespective of their validity, such claims may result in substantial costs and diversion of resources that could have an adverse effect on the Company's operations. Moreover, effective intellectual property protection may be either unavailable or limited

in certain foreign territories. Therefore, the Company engages in efforts to strengthen and update intellectual property protection around the world, including efforts to ensure the effective enforcement of intellectual property laws and remedies for infringement.

Raw Materials

As a major publisher of newspapers, magazines, free-standing inserts and books, the Company utilizes substantial quantities of various types of paper. In order to obtain the best available prices, substantially all of the Company's paper purchasing is done on a regional, volume purchase basis, and draws upon major paper manufacturing countries around the world. The Company believes that under present market conditions, its sources of paper supply used in its publishing activities are adequate.

Employees

As of June 30, 2018, the Company had approximately 28,000 employees, of whom approximately 9,000 were located in the U.S., 5,000 were located in the U.K. and 10,000 were located in Australia. Of the Company's employees, approximately 6,000 were represented by various employee unions. The contracts with such unions will expire during various times over the next several years. The Company believes its current relationships with employees are generally good.

ITEM 1A. RISK FACTORS

You should carefully consider the following risks and other information in this Annual Report on Form 10-K in evaluating the Company and its common stock. Any of the following risks, or other risks or uncertainties not presently known or currently deemed immaterial, could materially and adversely affect the Company's business, results of operations or financial condition, and could, in turn, impact the trading price of the Company's common stock.

The Company's Businesses Face Significant Competition from Other Sources of Content, and its Success Depends on its Ability to Compete Effectively.

The Company's businesses face significant competition from other sources of news, information and entertainment content, including both traditional and new content providers. This competition has intensified as a result of the continued development of new digital and other technologies and platforms, and the Company may be adversely affected if consumers migrate to other media alternatives. For example, advertising and circulation revenues in the Company's News and Information Services segment may continue to decline, reflecting general trends in the newspaper industry such as declining newspaper buying by younger audiences and consumers' increasing reliance on a variety of content providers, including news aggregation websites, social media platforms and customized news feeds, for the delivery of news and information through the Internet, often without charge. In addition, due to the increased availability of high-speed Internet access and innovations in content distribution platforms that enable streaming and downloading of programming, consumers are now more readily able to watch Internet-delivered content on smart TVs, computers, tablets, streaming devices and mobile devices through a variety of providers. These include IPTV providers and SVOD services such as Fetch TV, Netflix, Stan, Amazon Prime Video, hayu and Mubi, as well as programmers and distributors such as CBS, Disney and the FTA networks that have begun providing content, including smaller, lower-cost programming packages, directly to consumers over the Internet, in some cases also without charge. The increasing number of choices available to consumers for video content may cause subscribers to the Company's pay-TV services to disconnect their services, downgrade to smaller, less expensive programming packages or purchase certain services from other providers that they would have historically purchased from the Company. This may, in turn, adversely affect both the Company's subscription revenue and advertisers' willingness to purchase television advertising from the Company.

The Company's ability to compete effectively depends upon its ability to differentiate and distinguish its products and services and anticipate and adapt to changes in consumer tastes and behaviors, which in turn, depends on many factors both within and beyond its control. For example, the Company relies on audience acceptance of the high-quality differentiated content in its newspapers, book titles, pay-TV programming and radio stations in order to retain and grow their audiences, consumers and subscribers. Similarly, the success of the Company's digital real estate services business depends in part on providing more comprehensive, current and accurate real estate listing data than its competitors, which the Company generally obtains through short-term arrangements with MLSs, real estate brokers, real estate agents and other third parties that may not be renewed and/or may be terminated with limited or no notice. However, when faced with a multitude of media choices, consumers may place greater value on when, where, how and at what price they consume content than they do on the source, quality or reliability of such content. Online traffic is also driven by Internet search results and referrals from social media and other platforms. Search engine results are based on algorithms that change frequently, and social media and other platforms may also vary their emphasis on what content to highlight for users. Any failure to successfully manage and adapt to these changes across the Company's businesses could result in significant decreases in traffic to the Company's digital properties, lower advertiser interest in those properties and increased costs if free traffic is replaced with paid traffic or otherwise adversely affect the Company's business.

Some of the Company's current and potential competitors may have greater resources or better competitive positions in certain areas than it does, which may allow them to respond more effectively to new technologies and changes in market conditions. If the Company is unable to compete successfully against existing or future competitors, its business, results of operations and financial condition could be adversely affected.

The Company Must Respond to New Technologies and Changes in Consumer Behavior and Continue to Innovate and Provide Useful Products in Order to Remain Competitive.

Technology continues to evolve rapidly, and the resulting changes in consumer behavior and preferences create constant opportunities for new and existing competitors that can quickly render the Company's products and services less valuable. For example, alternative methods for the delivery, storage and consumption of digital content, including the distribution of news and other content through social networking tools and on mobile and other devices, often without charge, Internet and mobile distribution of video content via streaming and downloading and digital distribution models for books, have empowered consumers to seek more control over when, where, how and at what price they consume content. Enhanced Internet capabilities and the development of new media channels may continue to reduce the demand for the Company's newspapers, television programs and other products and the price consumers are willing to pay for such products. In addition, other technological developments, such as those allowing consumers to skip, fast forward through or block advertisements, may cause changes in consumer behavior that could adversely affect the attractiveness of the Company's offerings to advertisers.

Other digital platforms and technologies, such as user-generated sites and self-publishing tools, have also reduced the effort and expense of producing and distributing content on a wide scale, allowing digital content providers, customers, suppliers and other third parties to compete with the Company, often at a lower cost. This trend may drive down the price consumers are willing to spend on the Company's products disproportionately to the costs associated with generating content and result in relatively low barriers to entry for competing Internet-based products and services. Additional digital distribution channels, such as the Internet and online retailers, have presented, and may continue to present, challenges to the Company's businesses, including its traditional book publishing model, which could adversely affect sales volume and/or pricing.

The Company must continue to acquire, develop, adopt, upgrade and exploit new and existing technologies to ensure that its products and services remain relevant and useful for consumers and customers and are delivered in the manner in which consumers and customers wish to consume them. The Company may be required to incur

significant capital expenditures and other costs in order to respond to new technologies, new and enhanced offerings from its competitors and changes in consumer behavior, and to attract and retain employees with the skill sets and knowledge base needed to successfully operate its digital and other businesses. For example, the Company expects to make significant investments in its pay-TV business as it continues to develop and improve the capabilities of its services, including potential new SVOD services. The development of new strategies and technologically advanced products is a complex and uncertain process, and there is a risk that the Company may not be able to develop and market these opportunities in a timely or cost-effective manner and that its responses and strategies to remain competitive, including new product offerings and the distribution of its content on a “pay” basis, may not be accepted by consumers. The Company’s failure to respond to and develop new technologies, distribution channels and platforms, products, services and business models to take advantage of advancements in technology and the latest consumer preferences could cause its customer, audience and/or user base or its advertisers to decline, in some cases precipitously, and could have a significant adverse effect on its businesses, asset values, financial condition and results of operations.

A Decline in Customer Advertising Expenditures in the Company’s Newspaper and Other Businesses Could Cause its Revenues and Operating Results to Decline Significantly.

The Company derives substantial revenues from the sale of advertising through its newspapers, integrated marketing services, digital media properties, cable channels and other pay-TV programming and radio stations. The Company’s ability to generate advertising revenue is dependent on a number of factors, including: (1) demand for the Company’s products and services, (2) audience fragmentation, (3) digital advertising trends, (4) its ability to offer advertising products and formats sought by advertisers, (5) general economic and business conditions, (6) demographics of the customer base, (7) advertising rates and (8) advertising effectiveness.

Demand for the Company’s products and services depends upon the Company’s ability to differentiate those products and services and anticipate and adapt to changes in consumer behaviors and is evaluated based on a variety of metrics. For example, circulation levels for the Company’s newspapers, ratings points for its cable channels and number of listeners for its radio stations are among the factors advertisers consider when determining the amount of advertising to purchase from the Company as well as advertising rates. For the Company’s digital media properties, including its digital real estate services sites, advertisers evaluate consumer demand using metrics such as the number of visits, number of users and user engagement. Any difficulty or failure in accurately measuring demand, particularly demand generated through new platforms, may lead to under-measurement and, in turn, lower advertising pricing and spending.

The increasing popularity of digital media among consumers as a source of news and other content has driven a corresponding shift in advertising from traditional channels to digital platforms. This shift has significantly impacted the Company’s print advertising revenues in particular, which have declined in each of its last three fiscal years. The development of new devices and technologies, as well as higher consumer engagement with other forms of digital media such as online and mobile social networking, are increasing the number of media choices and formats available to audiences, resulting in audience fragmentation and increased competition for advertising. The range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising than for print advertising. In addition, in the past, rates have been generally lower for mobile advertising than for desktop advertising. As a result, increasing consumer reliance on mobile devices may add additional pricing pressure. Consequently, the Company’s digital advertising revenue may not be able to replace print advertising revenue lost as a result of the shift to digital consumption.

The digital advertising market also continues to undergo significant changes that may further impact digital advertising revenues. Digital advertising networks and exchanges, real-time bidding and other programmatic buying channels that allow advertisers to buy audiences at scale are playing a more significant role in the advertising marketplace and may cause further downward pricing pressure. New delivery platforms may also lead to loss of distribution and pricing control and loss of a direct relationship with consumers. In addition,

evolving standards for the delivery of digital advertising, as well as the development and adoption of technology designed to block, change the location of, or obscure, the display of advertising on websites and mobile devices and/or block or delete cookies, may also negatively impact digital advertising revenues. As the digital advertising market continues to evolve, the Company's ability to compete successfully for advertising budgets will depend on, among other things, its ability to drive scale, engage and grow digital audiences, derive better demographic and other information about its users, develop new digital advertising products and formats such as branded and other custom content, and video and mobile advertising, and prove the value of its advertising and the effectiveness of the Company's platforms to its advertising customers, including through more targeted, data-driven offerings. In recent years, large digital platforms such as Facebook and Google, which have extensive audience reach and targeting capabilities, have commanded an increasing share of the digital advertising market, and the Company expects this trend may continue.

The Company's print and digital advertising revenue is also affected generally by overall national and local economic and business conditions, including consumer spending, housing sales, auto sales, unemployment rates and job creation, advertisers' budgeting and buying patterns, which tend to be cyclical, as well as federal, state and local election cycles. In addition, certain sectors of the economy account for a significant portion of the Company's advertising revenues, including retail, technology and finance. Some of these sectors, such as retail, are more susceptible to weakness in economic conditions and have also been under pressure from increased online competition. A decline in the economic prospects of these and other advertisers or the economy in general could alter current or prospective advertisers' spending priorities or result in consolidation or closures across various industries, which may also reduce the Company's overall advertising revenue.

While the Company has adopted a number of strategies and initiatives to address these challenges, there can be no guarantee that its efforts will be successful. If the Company is unable to demonstrate the continuing value of its various platforms and high-quality content and brands or offer advertisers unique multi-platform advertising programs, its results may suffer. Reduced demand for the Company's offerings, a decrease in advertising expenditures by the Company's customers or a surplus of advertising inventory could lead to a reduction in pricing and advertising spending, which could have an adverse effect on the Company's businesses and assets, results of operations and financial condition.

The Inability to Obtain and Retain Sports and Other Programming Rights Could Adversely Affect the Revenue of Certain of the Company's Operating Businesses, and Programming Costs Could Also Increase Upon Renewal.

Competition for popular programming that is licensed from third parties is intense, and the success of certain of the Company's operating businesses, including its pay-TV business, will depend on, among other things, their ability to obtain and retain desirable programming and deliver it to subscribers and audiences at competitive prices. The pay-TV industry in particular has continued to experience higher programming costs due to, among other things, (1) increases imposed by sports and other programmers when offering new programming or upon the expiration of existing contracts; (2) the carriage of incremental programming, including new services and SVOD programming; and (3) increased competition from other digital media companies, including SVOD providers, for the rights to popular or exclusive content. Certain of the Company's operating businesses, including its pay-TV business, are party to contracts for sports and other programming rights with various third parties, including professional sports leagues and teams, television and motion picture producers and other suppliers. These contracts have varying durations and renewal terms, and as they expire, renewals on favorable terms may be sought. However, third parties may outbid the Company for those rights and/or for any new programming offerings. In addition, professional sports leagues or teams may create their own direct-to-consumer sports offerings or the renewal costs could substantially exceed the original contract cost. The loss of rights could impact the extent of the sports coverage and the availability of other popular entertainment programming offered by the Company and lead to customer or audience dissatisfaction or, in some cases, loss of customers or audiences, which could, in turn, adversely affect its revenues. In addition, the Company's results could be adversely affected if upon renewal, escalations in programming rights costs are unmatched by increases in subscriber and carriage fees and advertising rates.

The Company Has Made and May Continue to Make Strategic Acquisitions and Investments That Introduce Significant Risks and Uncertainties.

In order to position its business to take advantage of growth opportunities, the Company has made and may continue to make strategic acquisitions and investments that involve significant risks and uncertainties. These risks and uncertainties include, among others: (1) the difficulty in integrating newly acquired businesses and operations in an efficient and effective manner, (2) the challenges in achieving strategic objectives, cost savings and other anticipated benefits, (3) the potential loss of key employees of the acquired businesses, (4) with respect to investments, risks associated with the inability to control the operations of the business, (5) the risk of diverting the attention of the Company's senior management from the Company's operations, (6) the risks associated with integrating financial reporting and internal control systems, (7) the difficulties in expanding information technology systems and other business processes to accommodate the acquired businesses, (8) in the case of foreign acquisitions and investments, the impact of specific economic, tax, currency, political, legal and regulatory risks associated with the relevant countries, (9) liabilities, both known and unknown, associated with the acquired businesses or investments and (10) in some cases, increased regulation.

If any acquired business or investment, including the recent combination of Foxtel and FOX SPORTS Australia, fails to operate as anticipated or an acquired business cannot be successfully integrated with the Company's existing businesses, the Company's business, results of operations, financial condition and reputation could be adversely affected, and the Company may be required to record non-cash impairment charges for the write-down of certain acquired assets.

Fluctuations in Foreign Currency Exchange Rates Could Have an Adverse Effect on the Company's Results of Operations.

The Company is exposed to foreign currency exchange rate risk with respect to its consolidated debt when the debt is denominated in a currency other than the functional currency of the operations whose cash flows support the ability to repay or refinance such debt. As of June 30, 2018, the new Foxtel operating subsidiaries, whose functional currency is Australian dollars, had \$575 million aggregate principal amount of outstanding indebtedness denominated in U.S. dollars. The Company's policy is to hedge against the risk of foreign currency exchange rate movements with respect to this exposure where commercially reasonable. However, there can be no assurance that it will be able to continue to do so at a reasonable cost or at all, or that there will not be a default by any of the counterparties to those arrangements.

In addition, the Company is exposed to foreign currency translation risk because it has significant operations in a number of foreign jurisdictions and certain of its operations are conducted in currencies other than the Company's reporting currency, primarily the Australian dollar and the British pound sterling. Since the Company's financial statements are denominated in U.S. dollars, changes in foreign currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, a currency translation impact on the Company's earnings when the results of those operations that are reported in foreign currencies are translated into U.S. dollars for inclusion in the Company's consolidated financial statements, which could, in turn, have an adverse effect on its reported results of operations in a given period or in specific markets. In particular, exchange rates between the U.S. dollar and the British pound sterling are expected to remain volatile due to continued political uncertainty in the U.K. and the negotiation of its exit from the European Union, commonly referred to as "Brexit."

Weak Domestic and Global Economic Conditions and Volatility and Disruption in the Financial and Other Markets May Adversely Affect the Company's Business.

The U.S. and global economies have undergone, and continue to experience, periods of economic and market uncertainty, including as a result of recent trade disputes between a number of countries. These conditions have in the past resulted in, among other things, a general tightening in the credit and capital markets, limited access to

the credit and capital markets, lower levels of liquidity, increases in the rates of default and bankruptcy, lower consumer and business spending, lower consumer net worth and a dramatic decline in the real estate market. The resulting pressure on the labor and retail markets and the downturn in consumer confidence weakened the economic climate in certain markets in which the Company does business and had an adverse effect on its business, results of operations, financial condition and liquidity, including advertising revenues. Any continued or recurring economic weakness could further impact the Company's business, reduce its advertising and other revenues and negatively impact the performance of its newspapers, television operations, books, digital real estate services business, radio stations and other consumer products and services. In addition, further volatility and disruption in the financial markets could make it more difficult and expensive for the Company to obtain financing. These conditions could also impair the ability of those with whom the Company does business to satisfy their obligations to the Company, including as a result of their inability to obtain capital on acceptable terms. The Company is particularly exposed to certain Australian business risks, including specific Australian legal and regulatory risks, consumer preferences and competition, because it holds a substantial amount of Australian assets and generated approximately 32% of its fiscal 2018 revenues from Australia. As a result, the Company's results of operations may be adversely affected by negative developments in the Australian market. The Company also generated approximately 16% of its fiscal 2018 revenues from the U.K., which continues to experience political, regulatory, economic and market uncertainty as it negotiates the terms of Brexit. While the impact of Brexit is difficult to predict, it could significantly affect the fiscal, monetary, political and regulatory landscape, lead other member countries to consider leaving the European Union, result in the diminishment or elimination of barrier-free access between the U.K. and other European Union member states and additional volatility and disruption in the financial and other markets and have an adverse impact on the Company's businesses in the U.K. and elsewhere. Although the Company believes that its capitalization, operating cash flow and current access to credit and capital markets, including the Company's revolving credit facility, will give it the ability to meet its financial needs for the foreseeable future, there can be no assurance that any further volatility and disruption in domestic and global credit and capital markets will not impair the Company's liquidity or increase its cost of borrowing.

The Company Relies on Network and Information Systems and Other Technology Whose Failure or Misuse Could Cause a Disruption of Services or Loss or Improper Disclosure of Personal Data, Business Information, Including Intellectual Property, or Other Confidential Information, Resulting in Increased Costs, Loss of Revenue, Reputational Damage or Other Harm to the Company's Business.

Network and information systems and other technologies, including those related to the Company's network management, are important to its business activities and contain the Company's proprietary, confidential and sensitive business information, including personal data of its customers and personnel. The Company also relies on third party providers for certain technology and "cloud-based" systems and services that support a variety of business operations. Network and information systems-related events affecting the Company's systems, or those of third parties upon which the Company's business relies, such as computer compromises, cyber threats and attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, as well as power outages, equipment failure, natural disasters (including extreme weather), terrorist activities, war, human or technological error or malfeasance that may affect such systems, could result in disruption of the Company's business and/or loss, corruption or improper disclosure of personal data, business information, including intellectual property, or other confidential information. System redundancy may be ineffective or inadequate, and the Company's disaster recovery and business continuity planning may not be sufficient to address all potential cyber events. Unauthorized parties may also fraudulently induce the Company's employees or other agents to disclose sensitive or confidential information in order to gain access to the Company's systems, facilities or data, or those of third parties with whom the Company does business. In addition, any design or manufacturing defects in, or the improper implementation of, hardware or software applications the Company develops or procures from third parties could unexpectedly compromise information security.

In recent years, there has been a rise in the number of cyberattacks on companies' network and information systems, and such attacks have become more sophisticated, targeted and difficult to detect and prevent against. As a result, the risks associated with such an event continue to increase, particularly as the Company's digital businesses expand. The Company has experienced, and expects to continue to be subject to, cybersecurity threats and incidents, none of which have been material to the Company to date, individually or in the aggregate. While the Company and its vendors have developed and implemented security measures and internal controls that are designed to protect personal data, business information, including intellectual property, and other confidential information, to prevent data loss, and to prevent or detect security breaches, such security measures cannot provide absolute security and may not be successful in preventing these events from occurring, particularly given that techniques used to access, disable or degrade service, or sabotage systems change frequently, and any network and information systems-related events could require the Company to expend significant resources to remedy such event. Moreover, the development and maintenance of these measures is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. While the Company maintains cyber risk insurance, this insurance may not be sufficient to cover all losses from any future breaches of the Company's systems.

A significant failure, compromise, breach or interruption of the Company's systems, or those of third parties upon which its business relies, could result in a disruption of its operations, including degradation or disruption of service, equipment damage, customer, audience or advertiser dissatisfaction, damage to its reputation or brands, regulatory investigations and enforcement actions, lawsuits, remediation costs, a loss of customers, audience, advertisers or revenues and other financial losses. If any such failure, interruption or similar event results in the improper disclosure of information maintained in the Company's information systems and networks or those of its vendors, including financial, personal and credit card data, as well as confidential and proprietary information relating to personnel, customers, vendors and the Company's business, including its intellectual property, the Company could also be subject to liability under relevant contractual obligations and laws and regulations protecting personal data and privacy. In addition, media or other reports of perceived security vulnerabilities to the Company's systems or those of third parties upon which its business relies, even if nothing has actually been attempted or occurred, could also adversely impact the Company's brand and reputation and materially affect its business.

The Company Could Suffer Losses Due to Asset Impairment and Restructuring Charges.

As a result of adverse developments in the Company's industry and challenging economic and market conditions, the Company may recognize impairment charges for write-downs of goodwill, intangible assets, investments and other long-lived assets, as well as restructuring charges relating to the reorganization of its businesses, which negatively impact the Company's financial results. When the Company acquires a business, it records goodwill in an amount equal to the excess of the fair value of the acquired business over the fair value of the identifiable assets and liabilities, including intangible assets, as of the acquisition date. The Company's management must regularly evaluate goodwill and other intangible assets expected to contribute indefinitely to the Company's cash flows in order to determine whether, based on projected discounted future cash flows, the carrying value for such assets exceeds current fair value and the Company should recognize an impairment. In accordance with GAAP, the Company performs an annual impairment assessment of its recorded goodwill and indefinite-lived intangible assets, including newspaper mastheads, distribution networks, publishing imprints, radio broadcast licenses, trademarks and trade names, publishing rights and customer relationships, during the fourth quarter of each fiscal year. The Company also continually evaluates whether current factors or indicators, such as prevailing conditions in the business environment, credit and capital markets or the economy generally and actual or projected operating results, require the performance of an interim impairment assessment of those assets, as well as other investments and long-lived assets, or require the Company to engage in any additional business restructurings to address these conditions. For example, any significant shortfall, now or in the future, in advertising revenue, the expected popularity of the programming for which the Company has acquired rights and/or consumer acceptance of new products, including new SVOD services, could lead to a downward revision in the fair value of certain reporting units. Any downward revisions in the fair value of a reporting unit, indefinite-lived intangible assets,

investments or other long-lived assets could result in additional impairments for which non-cash charges would be required. Any such charge could be material to the Company's reported results of operations. For example, in fiscal 2018, the Company recognized non-cash impairment charges of \$280 million, primarily related to News America Marketing and FOX SPORTS Australia, and a \$957 million non-cash write-down of its investment in Foxtel. In addition, as of June 30, 2018, the Company had approximately \$170 million of goodwill that is at risk for future impairment because the fair value of the corresponding reporting unit was equal to its carrying value. The Company may also incur additional restructuring charges in the future if it is required to further realign its resources in response to significant shortfalls in revenue or other adverse trends.

There Can Be No Assurance That the Company Will Have Access to the Credit and Capital Markets on Terms Acceptable to It, and the Significant Leverage of its new Foxtel Operating Subsidiaries Could Limit the Ability of Those Subsidiaries to Access the Credit and Capital Markets and Have Other Adverse Effects.

From time to time the Company may need or desire to access the credit and capital markets to obtain financing. Although the Company believes that the sources of capital currently in place, including the Company's revolving credit facility, will permit the Company to finance its operations for the foreseeable future on acceptable terms and conditions, the Company's access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors. In addition, as a result of the Transaction, the Company now consolidates the debt of its new Foxtel operating subsidiaries. Those subsidiaries have significant leverage that could limit or prevent them from incurring additional debt or refinancing or otherwise extending the maturities of their existing debt. As of June 30, 2018, the new Foxtel operating subsidiaries' total outstanding indebtedness was \$1.6 billion, including \$370 million due in fiscal 2019, with the remainder having various maturities through fiscal 2025. Factors impacting the Company's ability to access the credit and capital markets include, but are not limited to: (1) the financial performance of the Company and/or its operating subsidiaries, as applicable; (2) the Company's credit ratings or absence of a credit rating and/or the credit rating of its operating subsidiaries, as applicable; (3) the provisions of any relevant debt instruments, credit agreements, indentures and similar or associated documents (collectively, the "Debt Documents"); (4) the liquidity of the overall credit and capital markets; and (5) the state of the economy. There can be no assurance that the Company (particularly as a company that currently has no credit rating) will continue to have access to the credit and capital markets on terms acceptable to it.

The Company's consolidated debt could also have other adverse effects. A portion of the outstanding debt bears interest at variable rates, which exposes the Company to the risk of interest rate fluctuations. If interest rates increase, the applicable debt service obligations will increase, which could reduce available cash flow and make it more difficult to make scheduled debt payments and/or limit the amount of cash available for operations, including investments and capital expenditures. Although the Company hedges a portion of the exposure to these interest rate movements, there can be no assurance that it will be able to continue to do so at a reasonable cost or at all, or that there will not be a default by any of the counterparties to those arrangements. In addition, the new Foxtel operating subsidiaries' outstanding Debt Documents contain significant financial and operating covenants that may limit their operational and financial flexibility. Subject to certain exceptions, these covenants restrict or prohibit these operating subsidiaries from, among other things, undertaking certain transactions, disposing of properties or assets (including subsidiary stock), merging or consolidating with any other person, making financial accommodation available, giving guarantees, entering into certain other financing arrangements, creating or permitting certain liens, engaging in transactions with affiliates, making repayments of other loans and undergoing fundamental business changes. These instruments also generally include financial covenants requiring the new Foxtel operating subsidiaries to maintain specified total debt to EBITDA and interest coverage ratios. In the event any of these covenants are breached and such breach results in a default under any of the new Foxtel operating subsidiaries' Debt Documents, the lenders or noteholders, as applicable, may accelerate the maturity of the indebtedness under the applicable Debt Documents, which could result in a default under other outstanding Debt Documents and could have a material adverse impact on the Company's business, results of operation and financial condition.

The Company's Business Could Be Adversely Impacted by Changes in Governmental Policy and Regulation.

Various aspects of the Company's activities are subject to regulation in numerous jurisdictions around the world, and the introduction of new laws and regulations in countries where the Company's products and services are produced or distributed, and changes in the enforcement of existing laws and regulations in those countries, could have a negative impact on its interests. In addition, laws and regulations in some international jurisdictions differ from those in the United States, and the enforcement of those laws and regulations may be inconsistent and unpredictable. The Company may incur substantial costs or be required to change its business practices in order to comply with applicable laws and regulations and could incur substantial penalties or other liabilities in the event of any failure to comply.

The Company's Australian operating businesses may be adversely affected by changes in government policy, regulation or legislation, or the application or enforcement thereof, applying to companies in the Australian media industry or to Australian companies in general. This includes:

- anti-siphoning legislation which currently prevents pay-TV providers such as new Foxtel from acquiring rights to televise certain listed events (for example, the Olympic Games and certain Australian Rules football and cricket matches) unless:
 - national and commercial television broadcasters have not obtained these rights 26 weeks before the start of the event;
 - the rights to televise are also held by commercial television licensees who have rights to televise the event to more than 50% of the Australian population; or
 - the rights to televise are also held by one of Australia's two major government-funded broadcasters;
- other parts of the Broadcasting Services Act that regulate ownership interests and control of Australian media organizations. Such legislation may have an impact on the Company's ownership structure and operations and may restrict its ability to take advantage of acquisition or investment opportunities; and
- the Telecommunications Act and associated Codes, which apply various consumer protection regimes to new Foxtel as a telecommunications service provider.

The Company's business activities are also subject to various laws and regulations in the United States and internationally governing the collection, use, sharing, protection and retention of personal data, which have implications for how such data is managed. Many of these laws and regulations continue to evolve, and substantial uncertainty surrounds their scope and application. Complying with these laws and regulations could be costly, require the Company to change its business practices, or limit or restrict aspects of the Company's business in a manner adverse to its business operations, including by inhibiting or preventing the collection of information that would enable it to provide more targeted, data-driven advertising offerings. The Company's failure to comply, even if inadvertent or in good faith, or as a result of a compromise, breach or interruption of the Company's systems by a third party, could result in exposure to enforcement by U.S. federal or state or foreign governments or private actors, as well as significant negative publicity and reputational damage. An example of such a law is the European Union's GDPR, which recently went into effect and expands the regulation of personal data processing throughout the European Union and significantly increases maximum penalties for non-compliance. See "Governmental Regulation—Data Privacy and Security" for more information. Finally, because some of the Company's products and services are available on the Internet, it may be subject to laws or regulations exposing it to liability or compliance obligations even in jurisdictions where the Company does not have a substantial presence.

In addition, the Company's newspaper publishing businesses in the U.K. are subject to greater regulation and oversight as a result of the implementation of recommendations of the Leveson inquiry into the U.K. press. Following the inquiry, the U.K. Government established a Press Recognition Panel responsible for approving and monitoring a new press regulatory body. Publishers who are not members of an approved regulator, including the

Company, may be subject to exemplary damages in privacy and libel cases and, if Section 40 of the Crime and Courts Act 2013 is enacted, the payment of costs for both parties in libel actions in certain circumstances. The majority of the U.K. press, including News UK, has established an alternative regulator, the Independent Press Standards Organisation, or IPSO. IPSO, which has indicated that it does not intend to seek approval by the Press Recognition Panel, has powers to impose burdens on its print media members in the U.K. These powers, which include the ability to impose fines of up to £1 million for systemic breaches of IPSO's Editor's Code of Practice, may result in competitive disadvantages versus other forms of media and may increase the costs of regulatory compliance. Depending on the political environment, the second phase of the Leveson inquiry may be commenced, investigating the relationship between the press and the police.

The Company's radio stations in the U.K. and Ireland are also subject to governmental regulation by the relevant broadcast authorities as the Company is required to obtain and maintain licenses from such authorities to operate these stations. Although the Company expects its licenses will, where relevant, be renewed in the ordinary course upon their expiration, there can be no assurance that this will be the case. Non-compliance by the Company with the requirements associated with such licenses or other applicable laws and regulations, including of the relevant authority, could result in fines, additional license conditions, license revocation or other adverse regulatory actions.

Adverse Results from Litigation or Other Proceedings Could Impact the Company's Business Practices and Operating Results.

From time to time, the Company is party to litigation, as well as to regulatory and other proceedings with governmental authorities and administrative agencies, including with respect to antitrust, tax, data privacy and security, intellectual property and other matters. See "Item 3. Legal Proceedings" and Note 16 to the Financial Statements for a discussion of certain matters. The outcome of these matters and other litigation and proceedings is subject to significant uncertainty, and it is possible that an adverse resolution of one or more such proceedings could result in reputational harm and/or significant monetary damages, injunctive relief or settlement costs that could adversely affect the Company's results of operations or financial condition as well as the Company's ability to conduct its business as it is presently being conducted. In addition, regardless of merit or outcome, such proceedings can have an adverse impact on the Company as a result of legal costs, diversion of management and other personnel, and other factors.

The Company Could Be Subject to Significant Additional Tax Liabilities, which Could Adversely Affect its Operating Results and Financial Condition.

The Company is subject to taxation in U.S. federal, state and local jurisdictions and various non-U.S. jurisdictions, including Australia and the U.K. The Company's effective tax rate is impacted by the tax laws, regulations, practices and interpretations in the jurisdictions in which it operates and may fluctuate significantly from period to period depending on, among other things, the geographic mix of the Company's profits and losses, changes in tax laws and regulations or their application and interpretation, the outcome of tax audits and changes in valuation allowances associated with the Company's deferred tax assets. Evaluating and estimating the Company's tax provision, current and deferred tax assets and liabilities and other tax accruals requires significant management judgment, and there are often transactions for which the ultimate tax determination is uncertain.

The Company's tax returns are routinely audited by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company's tax returns or positions taken by the Company, and as a result, tax-related settlements or litigation may occur, resulting in additional income tax liabilities against the Company. Although the Company believes it has appropriately accrued for the expected outcome of tax reviews and examinations and any related litigation, the final outcomes of these matters could differ materially from the amounts recorded in the Financial Statements. As a result, the Company may be required to recognize additional charges in its Statements of Operations and pay significant additional amounts with respect to current or prior periods, or its taxes in the future could increase, which could adversely affect its operating results and financial condition.

In connection with the Separation, 21st Century Fox received a private letter ruling from the Internal Revenue Service (“IRS”) and an opinion from its tax counsel confirming the tax-free status of the Separation for U.S. federal income tax purposes. The private letter ruling and the opinion relied on certain facts and assumptions, and certain representations from the Company and 21st Century Fox regarding the past and future conduct of their respective businesses and other matters. Notwithstanding the receipt of the private letter ruling and the opinion, the IRS could determine on audit that the distribution or the related internal reorganization transactions should be treated as taxable transactions if any of these facts, assumptions, representations or undertakings is not correct or has been violated. If the internal reorganization and/or the distribution is ultimately determined to be taxable, 21st Century Fox and/or the Company would recognize gains on the internal reorganization and 21st Century Fox would recognize gain in an amount equal to the excess of the fair market value of shares of the Company’s common stock distributed to 21st Century Fox’s stockholders on the Distribution Date over 21st Century Fox’s tax basis in such shares. The Company may in certain circumstances be required to indemnify 21st Century Fox for liabilities arising out of the foregoing. Specifically, under the terms of the Tax Sharing and Indemnification Agreement that the Company and 21st Century Fox entered into in connection with the Separation, in the event that the distribution or the internal transactions intended not to be subject to tax were determined to be subject to tax and such determination was the result of certain actions taken, or omitted to be taken, after the Separation by the Company or any of its subsidiaries and such actions (1) were inconsistent with any representation or covenant made in connection with the private letter ruling or opinion of 21st Century Fox’s tax counsel, (2) violated any representation or covenant made in the Tax Sharing and Indemnification Agreement, or (3) the Company or any of its subsidiaries knew or reasonably should have expected, after consultation with its advisors, could result in any such determination, the Company will be responsible for any tax-related liabilities incurred by 21st Century Fox as a result of such determination.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act. The Tax Act instituted significant changes to the U.S. corporate income tax system including, among other things, lowering the corporate tax rate and implementing a partial territorial tax system. The Company recorded provisional charges during fiscal 2018 for certain transitional impacts associated with these changes. In addition, a number of other provisions in the Tax Act do not take effect until fiscal 2019, including changes to limits on the deductions for executive compensation, a tax on global intangible low-taxed income, the base erosion anti-abuse tax and a deduction for foreign-derived intangible income. The Company continues to assess the full impact of the Tax Act, including finalizing the transitional impacts referenced above, and cannot predict the manner in which provisions of the Tax Act or any related regulations, legislation or accounting standards may be interpreted or enforced or whether such interpretation or enforcement may have a material adverse effect on its income tax expense and/or its business, financial condition and results of operations. See Note 19 to the Financial Statements for more information regarding the impact of the Tax Act.

The Company’s International Operations Expose it to Additional Risks that Could Adversely Affect its Business, Operating Results and Financial Condition.

In its fiscal year ended June 30, 2018, approximately 57% of the Company’s revenues were derived outside the U.S., and the Company is focused on expanding the international scope of its operations. There are risks inherent in doing business internationally, including (1) issues related to managing international operations; (2) economic uncertainties and volatility in local markets and political or social instability; (3) potentially adverse changes in tax laws and regulations; (4) compliance with international laws and regulations, including foreign ownership restrictions and data privacy requirements such as the GDPR; (5) compliance with anti-corruption laws and regulations such as the Foreign Corrupt Practices Act and the UK Bribery Act; (6) restrictions on repatriation of funds and foreign currency exchange; and (7) compliance with local labor laws and regulations. For example, Brexit may, among other things, adversely affect economic and market conditions in the U.K. and the European Union and create uncertainty around doing business in the U.K., including with respect to data protection and transfer, tax rates and the recruitment and retention of employees. Events or developments related to these and other risks associated with the Company’s international operations could result in reputational harm and have an adverse impact on the Company’s business, financial condition, operating results and prospects. Challenges

associated with operating globally may increase as the Company continues to expand into geographic areas that it believes represent the highest growth opportunities.

The Company is Party to Agreements with Third Parties Relating to Certain of its Businesses That Contain Operational and Management Restrictions and/or Other Rights That, Depending on the Circumstances, May Not be in the Best Interest of the Company.

The Company is party to agreements with third parties relating to certain of its businesses that restrict the Company's ability to take specified actions and contain other rights that, depending on the circumstances, may not be in the best interest of the Company. For example, the Company and Telstra are parties to a Shareholders' Agreement with respect to new Foxtel containing certain minority protections for Telstra, including standard governance provisions, as well as transfer and exit rights. The Shareholders' Agreement provides Telstra with the right to appoint two directors to the Board of new Foxtel, as well as Board and shareholder-level veto rights over certain non-ordinary course and/or material corporate actions that may prevent new Foxtel from taking actions that are in the interests of the Company. The Shareholders' Agreement also provides for (1) certain transfer restrictions, which could adversely affect the Company's ability to effect such transfers and/or the prices at which those transfers may occur, and (2) exit arrangements, which could, in certain circumstances, force the Company to sell its interest, subject to rights of first and, in some cases, last refusals.

In addition, Move, the Company's digital real estate services business in the U.S., operates the realtor.com[®] website under an agreement with NAR that is perpetual in duration. However, NAR may terminate the operating agreement for certain contractually-specified reasons upon expiration of applicable cure periods. If the operating agreement with NAR is terminated, the NAR License would also terminate, and Move would be required to transfer a copy of the software that operates the realtor.com[®] website to NAR and provide NAR with copies of its agreements with advertisers and data content providers. NAR would then be able to operate a realtor.com[®] website, either by itself or with another third party.

Theft of the Company's Content, including Digital Piracy and Signal Theft, may Decrease Revenue and Adversely Affect the Company's Business and Profitability.

The Company's success depends in part on its ability to maintain and monetize the intellectual property rights in its content, and theft of its brands, programming, digital content, books and other copyrighted material affects the value of its content. Developments in technology, including the wide availability of higher Internet bandwidth and reduced storage costs, increase the threat of content piracy by making it easier to duplicate and widely distribute pirated material, including from other less-regulated countries into the Company's primary markets. The Company seeks to limit the threat of content piracy by preventing unauthorized access to such content through the use of encryption of programming content, signal encryption and other security access devices and digital rights management software, as well as by obtaining site blocking orders against pirate streaming and torrent sites and a variety of other actions, both individually and, in some instances, together with industry associations. However, these efforts are not always successful, and the Company cannot ensure that it will be able to reduce or control theft of its content. Moreover, protection of the Company's intellectual property rights is dependent on the scope and duration of its rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of the Company's rights, or if existing laws are changed, the Company's ability to generate revenue from its intellectual property may decrease, or the cost of obtaining and maintaining rights may increase. The proliferation of unauthorized use of the Company's content may have an adverse effect on its business and profitability by reducing the revenue that the Company potentially could receive from the legitimate sale and distribution of its content.

Failure by the Company to Protect Certain Intellectual Property and Brands Could Adversely Impact the Company's Results of Operation and Financial Condition.

The Company's businesses rely on a combination of trademarks, trade names, copyrights, patents, domain names and other proprietary rights, as well as licenses and other contractual arrangements, including licenses relating to

sports programming rights, set-top box technology and related systems, the NAR License and the Fox Licenses, to establish, obtain and protect the intellectual property and brand names used in their businesses. The Company believes its proprietary trademarks, trade names, copyrights, patents, domain names and other intellectual property rights are important to its continued success and its competitive position. However, the Company cannot ensure that these intellectual property rights will be upheld if challenged or that these rights will protect the Company against infringement claims by third parties, and effective intellectual property protection may not be available in every country or region in which the Company operates or where its products are available. Any failure by the Company to effectively protect its intellectual property or brands could adversely impact the Company's results of operations or financial condition. In addition, the Company may be contractually required to indemnify other parties against liabilities arising out of any third party infringement claims.

Newsprint Prices May Continue to Be Volatile and Difficult to Predict and Control, and any Increase in Newsprint Costs may Adversely Affect the Company's Business, Results of Operations and Financial Condition.

Newsprint is one of the largest expenses of the Company's newspaper publishing units. During the quarter ended June 30, 2018, the Company's average cost per ton of newsprint was approximately 1% lower than its historical average annual cost per ton over the past five fiscal years on a constant currency basis. The price of newsprint has historically been volatile, and a number of factors may cause prices to increase, including: (1) the closure and consolidation of newsprint mills, which has reduced the number of suppliers over the years; (2) the imposition of tariffs or other restrictions on non-U.S. suppliers of paper; (3) an increase in supplier operating expenses due to rising raw material or energy costs or other factors; (4) failure to maintain the Company's current consumption levels; and (5) the inability to maintain the Company's existing relationships with its newsprint suppliers. Any increase in the cost of newsprint could have an adverse effect on the Company's business, results of operations and financial condition.

Damage, Failure or Destruction of Satellites and Transmitter Facilities that the Company's Pay-TV Business Depends Upon to Distribute its Programming Could Adversely Affect the Company's Business and Results of Operations.

The Company's pay-TV business uses satellite systems to transmit its programming to its subscribers and/or authorized sublicensees. The distribution facilities include uplinks, communications satellites and downlinks. In addition, each of the Company's cable networks uses studio and transmitter facilities. Transmissions may be disrupted or degraded as a result of local disasters, including extreme weather, that damage or destroy on-ground uplinks or downlinks or studio and transmitter facilities, or as a result of damage to a satellite. Satellites are subject to significant operational and environmental risks while in orbit, including anomalies resulting from various factors such as manufacturing defects and problems with power or control systems, as well as environmental hazards such as meteoroid events, electrostatic storms and collisions with space debris. These events may result in the loss of one or more transponders on a satellite or the entire satellite and/or reduce the useful life of the satellite, which could, in turn, lead to a disruption or loss of pay-TV services to the Company's customers. The Company does not carry commercial insurance for business disruptions or losses resulting from the foregoing events as it believes the cost of insurance premiums is uneconomical relative to the risk. Instead, the Company seeks to mitigate this risk through the maintenance of backup satellite capacity and other contingency plans. However, these steps may not be sufficient, and if the Company is unable to secure alternate distribution, studio and/or transmission facilities in a timely manner, any such disruption or loss could have an adverse effect on the Company's business, financial condition and results of operations.

The Company's Pay-TV Business Depends on a Single or Limited Number of Third Party Service Providers and Suppliers for Certain Key Products or Services, and Any Reduction or Interruption in the Supply of These Products and Services or a Significant Increase in Price Could Have an Adverse Effect on the Company's Business, Results of Operations and Financial Condition.

The Company's pay-TV business depends on a single or limited number of third party service providers and suppliers to supply certain key products and services necessary to provide its pay-TV services. In particular, the

Company depends on Optus to provide all of its satellite transponder capacity, and ARRIS and Technicolor are the Company's sole suppliers of satellite and cable set-top boxes and the Foxtel Now box, respectively. If any of these service providers or suppliers breaches or terminates their agreements with the Company or otherwise fails to perform their obligations in a timely manner, experiences operating or financial difficulties, is unable to meet demand due to component shortages, insufficient capacity or otherwise, significantly increases the amount the Company pays for necessary products or services or ceases production of any necessary product, the Company's business, results of operations and financial condition may be adversely affected. While the Company will seek alternative sources for these products and services where possible, it may not be able to develop these alternative sources quickly and cost-effectively, which could impair its ability to timely deliver its products and services to its subscribers or operate its business.

Labor Disputes May Have an Adverse Effect on the Company's Business.

In a variety of the Company's businesses, it engages the services of employees who are subject to collective bargaining agreements. If the Company is unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, as well as higher costs in connection with these collective bargaining agreements or a significant labor dispute, could have an adverse effect on the Company's business by causing delays in production or by reducing profit margins.

The Market Price of the Company's Stock May Fluctuate Significantly.

The Company cannot predict the prices at which its common stock may trade. The market price of the Company's common stock may fluctuate significantly, depending upon many factors, some of which may be beyond its control, including: (1) the Company's quarterly or annual earnings, or those of other companies in its industry; (2) actual or anticipated fluctuations in the Company's operating results; (3) success or failure of the Company's business strategy; (4) the Company's ability to obtain financing as needed; (5) changes in accounting standards, policies, guidance, interpretations or principles; (6) changes in laws and regulations affecting the Company's business; (7) announcements by the Company or its competitors of significant new business developments or customers; (8) announcements by the Company or its competitors of significant acquisitions or dispositions; (9) changes in earnings estimates by securities analysts or the Company's ability to meet its earnings guidance, if any; (10) the operating and stock price performance of other comparable companies; (11) investor perception of the Company and the industries in which it operates; (12) results from material litigation or governmental investigations; (13) changes in capital gains taxes and taxes on dividends affecting stockholders; and (14) overall market fluctuations and general economic conditions.

Certain of the Company's Directors and Officers May Have Actual or Potential Conflicts of Interest Because of Their Equity Ownership in 21st Century Fox, and Certain of the Company's Officers and Directors May Have Actual or Potential Conflicts of Interest Because They Also Serve as Officers and/or on the Board of Directors of 21st Century Fox, Which May Result in the Diversion of Corporate Opportunities to 21st Century Fox.

Certain of the Company's directors and executive officers own shares of 21st Century Fox's common stock, and the individual holdings may be significant for some of these individuals compared to their total assets. In addition, certain of the Company's officers and directors also serve as officers and/or as directors of 21st Century Fox, including K. Rupert Murdoch, who serves as the Company's Executive Chairman and Executive Chairman of 21st Century Fox, Lachlan K. Murdoch, who serves as the Company's Co-Chairman and Executive Chairman of 21st Century Fox, and James R. Murdoch, who serves as a director of the Company and Chief Executive Officer of 21st Century Fox. This ownership or service to both companies may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for the Company and 21st Century Fox. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between the Company and 21st Century Fox regarding the terms of the agreements governing the internal reorganization, the Separation and the relationship thereafter between the companies, including with respect to the indemnification of certain matters. In addition to any other arrangements that the Company and 21st Century Fox may agree to implement, the Company and

21st Century Fox have agreed that officers and directors who serve at both companies will recuse themselves from decisions where conflicts arise due to their positions at both companies.

The Company's Restated Certificate of Incorporation acknowledges that the Company's directors and officers, as well as certain of its stockholders, including K. Rupert Murdoch, certain members of his family and certain family trusts (so long as such persons continue to own, in the aggregate, 10% or more of the voting stock of each of the Company and 21st Century Fox), each of which is referred to as a covered stockholder, are or may become stockholders, directors, officers, employees or agents of 21st Century Fox and certain of its affiliates. The Company's Restated Certificate of Incorporation provides that any such overlapping person will not be liable to the Company, or to any of its stockholders, for breach of any fiduciary duty that would otherwise exist because such individual directs a corporate opportunity (other than certain limited types of restricted business opportunities set forth in the Company's Restated Certificate of Incorporation) to 21st Century Fox instead of the Company. As 21st Century Fox does not have a similar provision regarding corporate opportunities in its certificate of incorporation, the provisions in the Company's Restated Certificate of Incorporation could result in an overlapping person submitting any corporate opportunities other than restricted business opportunities to 21st Century Fox instead of the Company.

Certain Provisions of the Company's Restated Certificate of Incorporation, Amended and Restated By-laws, Tax Sharing and Indemnification Agreement, Separation and Distribution Agreement and Delaware Law, the Company's Third Amended and Restated Stockholder Rights Agreement and the Ownership of the Company's Common Stock by the Murdoch Family Trust May Discourage Takeovers, and the Concentration of Ownership Will Affect the Voting Results of Matters Submitted for Stockholder Approval.

The Company's Restated Certificate of Incorporation and Amended and Restated By-laws contain certain anti-takeover provisions that may make more difficult or expensive a tender offer, change in control, or takeover attempt that is opposed by the Company's Board of Directors or certain stockholders holding a significant percentage of the voting power of the Company's outstanding voting stock. In particular, the Company's Restated Certificate of Incorporation and Amended and Restated By-laws provide for, among other things:

- a dual class common equity capital structure;
- a prohibition on stockholders taking any action by written consent without a meeting;
- special stockholders' meeting to be called only by the Chief Executive Officer, the Board of Directors, or the holders of not less than 20% of the voting power of the Company's outstanding voting stock;
- the requirement that stockholders give the Company advance notice to nominate candidates for election to the Board of Directors or to make stockholder proposals at a stockholders' meeting;
- the requirement of an affirmative vote of at least 65% of the voting power of the Company's outstanding voting stock to amend or repeal its by-laws;
- vacancies on the Board of Directors to be filled only by a majority vote of directors then in office;
- certain restrictions on the transfer of the Company's shares; and
- the Board of Directors to issue, without stockholder approval, Preferred Stock and Series Common Stock with such terms as the Board of Directors may determine.

These provisions could discourage potential acquisition proposals and could delay or prevent a change in control of the Company, even in the case where a majority of the stockholders may consider such proposals, if effective, desirable.

In addition, in connection with the Separation, the Company's Board of Directors adopted a stockholder rights agreement, which it extended in June 2014, June 2015 and again in June 2018. Pursuant to the third amended and restated stockholder rights agreement, each outstanding share of the Company's common stock has attached to it a right entitling its holder to purchase from the Company additional shares of its Class A Common Stock and

Class B Common Stock in the event that a person or group acquires beneficial ownership of 15% or more of the then-outstanding Class B Common Stock without approval of the Company's Board of Directors, subject to exceptions for persons beneficially owning 15% or more of the Company's Class B Common Stock immediately following the Separation. The stockholder rights agreement could make it more difficult for a third-party to acquire the Company's voting common stock without the approval of its Board of Directors. The rights expire on June 18, 2021, except as otherwise provided in the rights agreement. Further, as a result of his ability to appoint certain members of the board of directors of the corporate trustee of the Murdoch Family Trust, which beneficially owns less than one percent of the Company's outstanding Class A Common Stock and approximately 38.4% of the Company's Class B Common Stock as of August 7, 2018, K. Rupert Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. K. Rupert Murdoch, however, disclaims any beneficial ownership of these shares. Also, K. Rupert Murdoch beneficially owns or may be deemed to beneficially own an additional one percent of the Company's Class B Common Stock and less than one percent of the Company's Class A Common Stock as of August 7, 2018. Thus, K. Rupert Murdoch may be deemed to beneficially own in the aggregate less than one percent of the Company's Class A Common Stock and approximately 39.4% of the Company's Class B Common Stock as of August 7, 2018. This concentration of voting power could discourage third parties from making proposals involving an acquisition of the Company. Additionally, the ownership concentration of Class B Common Stock by the Murdoch Family Trust increases the likelihood that proposals submitted for stockholder approval that are supported by the Murdoch Family Trust will be adopted and proposals that the Murdoch Family Trust does not support will not be adopted, whether or not such proposals to stockholders are also supported by the other holders of Class B Common Stock. Furthermore, the adoption of the third amended and restated stockholder rights agreement will prevent, unless the Company's Board of Directors otherwise determines at the time, other potential stockholders from acquiring a similar ownership position in the Company's Class B Common Stock and, accordingly, could prevent a meaningful challenge to the Murdoch Family Trust's influence over matters submitted for stockholder approval.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company owns and leases various real properties in the U.S., Europe, Australia and Asia that are utilized in the conduct of its businesses. Each of these properties is considered to be in good condition, adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations. The Company's policy is to improve and replace property as considered appropriate to meet the needs of the individual operation.

United States

The Company's principal real properties in the U.S. are the following:

- (a) The U.S. headquarters of the Company, located at 1211 Avenue of the Americas, New York, New York and the offices of the Company located at 1185 Avenue of the Americas, New York, New York, each of which are subleased from 21st Century Fox. These spaces include the executive and corporate offices of the Company, the executive and editorial offices of Dow Jones, the editorial offices of the *Post* and the executive offices of NAM;
- (b) The leased offices of HarperCollins U.S. in New York, New York;
- (c) The leased offices of HarperCollins U.S. in Scranton, Pennsylvania;
- (d) The leased printing plant of the *Post* located in Bronx, New York;
- (e) The leased offices of Move in Santa Clara, California;

- (f) The leased offices of NAM in Wilton, Connecticut; and
- (g) The office space campus owned by the Company in South Brunswick, New Jersey.

Europe

The Company's principal real properties in Europe are the following:

- (a) The leased headquarters and editorial offices of the London operations of News UK, Dow Jones and HarperCollins at The News Building, 1 London Bridge Street, London, England;
- (b) The newspaper production and printing facilities for its U.K. newspapers, which consist of:
 - 1. The leased office space at each of Fleet House, Peterborough, England; Dublin, Ireland; and Glasgow City Centre, Scotland; and
 - 2. The freehold interests in each of a publishing and printing facility in Broxbourne, England and printing facilities in Knowsley, England and North Lanarkshire, Scotland; and
- (c) The leased warehouse and office facilities of HarperCollins Publishers Limited in Glasgow, Scotland.

Australia and Asia

The Company's principal real properties in Australia and Asia are the following:

- (a) The Australian newspaper production and printing facilities which consist of:
 - 1. The Company-owned print center and office building in Sydney, Australia at which *The Australian*, *The Daily Telegraph* and *The Sunday Telegraph* are printed and published;
 - 2. The Company-owned print center and the leased office facility in Melbourne, Australia at which *Herald Sun* and *Sunday Herald Sun* are printed and published;
 - 3. The Company-owned print center and office building in Adelaide, Australia utilized in the printing and publishing of *The Advertiser* and *Sunday Mail*; and
 - 4. The Company-owned print center and office building in Brisbane, Australia at which *The Courier Mail* and *The Sunday Mail* are printed and published;
- (b) The leased headquarters of new Foxtel in Sydney, Australia;
- (c) The leased corporate offices of new Foxtel in Melbourne, Australia;
- (d) The leased offices and studios of FOX SPORTS Australia in Sydney, Australia;
- (e) The leased offices and studios of FOX SPORTS Australia in Melbourne, Australia;
- (f) The leased corporate offices of REA Group in Melbourne, Australia; and
- (g) The leased office space of Dow Jones in Hong Kong.

ITEM 3. LEGAL PROCEEDINGS

The Company routinely is involved in various legal proceedings, claims and governmental inspections or investigations, including those discussed below.

Valassis Communications, Inc.

On November 8, 2013, Valassis Communications, Inc. ("Valassis") filed a complaint in the U.S. District Court for the Eastern District of Michigan (the "District Court") against News America Incorporated, News America Marketing FSI L.L.C., News America Marketing In-Store Services L.L.C. and News Corporation (together, the

“NAM Group”) alleging violations of federal and state antitrust laws and common law business torts. The complaint sought treble damages, injunctive relief and attorneys’ fees and costs. On December 19, 2013, the NAM Group filed a motion to dismiss the complaint, and on March 30, 2016, the District Court ordered that Valassis’s bundling and tying claims be dismissed and that all remaining claims in the NAM Group’s motion to dismiss be referred to a panel of antitrust experts (the “Antitrust Expert Panel”) appointed in connection with a prior action brought by Valassis against certain members of the NAM Group. The Antitrust Expert Panel was convened and, on February 8, 2017, recommended that the NAM Group’s counterclaims in the action be dismissed with leave to replead three of the four counterclaims. The NAM Group filed an amended counterclaim on February 27, 2017. Valassis subsequently filed motions with the District Court seeking either to re-open the case in the District Court or to transfer the case to the U.S. District Court for the Southern District of New York (the “N.Y. District Court”). On September 25, 2017, the District Court granted Valassis’s motions and transferred the case to the N.Y. District Court. On April 13, 2018, the NAM Group filed a motion for summary judgment dismissing the case with the N.Y. District Court. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Group believes it has been compliant with applicable laws and intends to defend itself vigorously.

U.K. Newspaper Matters

Civil claims have been brought against the Company with respect to, among other things, voicemail interception and inappropriate payments to public officials at the Company’s former publication, *The News of the World*, and at *The Sun*, and related matters (the “U.K. Newspaper Matters”). The Company has admitted liability in many civil cases and has settled a number of cases. The Company also settled a number of claims through a private compensation scheme which was closed to new claims after April 8, 2013.

In connection with the Separation, the Company and 21st Century Fox agreed in the Separation and Distribution Agreement that 21st Century Fox would indemnify the Company for payments made after the Distribution Date arising out of civil claims and investigations relating to the U.K. Newspaper Matters as well as legal and professional fees and expenses paid in connection with the previously concluded criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the Company or 21st Century Fox. 21st Century Fox’s indemnification obligations with respect to these matters will be settled on an after-tax basis.

The net (benefit) expense related to the U.K. Newspaper Matters in Selling, general and administrative expenses was \$(35) million, \$10 million and \$19 million for the fiscal years ended June 30, 2018, June 30, 2017 and June 30, 2016, respectively. As of June 30, 2018, the Company has provided for its best estimate of the liability for the claims that have been filed and costs incurred, including liabilities associated with employment taxes, and has accrued approximately \$52 million. The amount to be indemnified by 21st Century Fox of approximately \$49 million was recorded as a receivable in Other current assets on the Balance Sheet as of June 30, 2018. The net benefit for the fiscal year ended June 30, 2018 and the accrual and receivable recorded as of that date reflect a \$46 million impact from the reversal of a portion of the Company’s previously accrued liability and the corresponding receivable from 21st Century Fox as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes. It is not possible to estimate the liability or corresponding receivable for any additional claims that may be filed given the information that is currently available to the Company. If more claims are filed and additional information becomes available, the Company will update the liability provision and corresponding receivable for such matters.

The Company is not able to predict the ultimate outcome or cost of the civil claims. It is possible that these proceedings and any adverse resolution thereof could damage its reputation, impair its ability to conduct its business and adversely affect its results of operations and financial condition.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

News Corporation’s Class A Common Stock and Class B Common Stock are listed and traded on The Nasdaq Global Select Market (“Nasdaq”), its principal market, under the symbols “NWSA” and “NWS,” respectively. CHES Depository Interests (“CDIs”) representing the Company’s Class A Common Stock and Class B Common Stock are listed and traded on the Australian Securities Exchange (“ASX”) under the symbols “NWSLV” and “NWS,” respectively. As of August 7, 2018, there were approximately 21,000 holders of record of shares of Class A Common Stock and 600 holders of record of shares of Class B Common Stock.

The following table sets forth, for the fiscal periods indicated, the high and low sales prices for the Class A Common Stock and Class B Common Stock, as reported on Nasdaq.

	Class B Common Stock		Class A Common Stock	
	High	Low	High	Low
Fiscal year ended June 30, 2017:				
First Quarter	\$ 14.65	11.50	14.34	11.05
Second Quarter	15.22	11.25	14.68	10.99
Third Quarter	13.80	11.90	13.48	11.51
Fourth Quarter	14.40	12.60	13.92	12.19
Fiscal year ended June 30, 2018:				
First Quarter	14.90	13.10	14.49	12.84
Second Quarter	17.05	13.50	16.87	13.14
Third Quarter	17.70	15.50	17.29	15.22
Fourth Quarter	16.80	15.35	16.65	14.97

Dividends

During fiscal 2018 and 2017, the Company’s Board of Directors (the “Board of Directors”) declared semi-annual cash dividends on both the Company’s Class A Common Stock and Class B Common Stock. The timing, declaration, amount and payment of future dividends to stockholders, if any, is within the discretion of the Board of Directors. The Board of Directors’ decisions regarding the payment of future dividends will depend on many factors, including the Company’s financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the Board of Directors deems relevant.

The following table summarizes the dividends paid per share on both the Company’s Class A Common Stock and the Class B Common Stock:

	For the fiscal years ended June 30,	
	2018	2017
Cash dividends paid per share	\$ 0.20	\$ 0.20

Issuer Purchases of Equity Securities

In May 2013, the Board of Directors authorized the Company to repurchase up to an aggregate of \$500 million of its Class A Common Stock. No stock repurchases were made during the fiscal year ended June 30, 2018. Through August 7, 2018, the Company repurchased approximately 5.2 million shares of Class A Common Stock

for an aggregate cost of approximately \$71 million. The remaining authorized amount under the stock repurchase program as of August 7, 2018 was approximately \$429 million. All decisions regarding any future stock repurchases are at the sole discretion of a duly appointed committee of the Board of Directors and management. The committee's decisions regarding future stock repurchases will be evaluated from time to time in light of many factors, including the Company's financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the committee may deem relevant. The stock repurchase authorization may be modified, extended, suspended or discontinued at any time by the Board of Directors and the Board of Directors cannot provide any assurances that any additional shares will be repurchased.

The Company did not purchase any of its Class B Common Stock during the fiscal years ended June 30, 2018 and 2017.

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated financial data should be read in conjunction with “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 8—Financial Statements and Supplementary Data” and the other financial information included elsewhere herein.

	For the fiscal years ended June 30,				
	2018 ^(c)	2017 ^(c)	2016 ^(c)	2015	2014
	(in millions except per share information)				
STATEMENT OF OPERATIONS DATA:					
Revenues ^(a)	\$ 9,024	\$ 8,139	\$ 8,292	\$ 8,524	\$ 8,486
(Loss) income from continuing operations attributable to					
News Corporation stockholders ^(b)	(1,514)	(738)	164	298	381
Net (loss) income attributable to News Corporation					
stockholders	(1,514)	(738)	179	(147)	239
(Loss) income from continuing operations available to News					
Corporation stockholders—basic and diluted	(2.60)	(1.27)	0.28	0.51	0.65
Net (loss) income available to News Corporation					
stockholders per share—basic and diluted	(2.60)	(1.27)	0.30	(0.26)	0.41
Cash dividends per share of Class A and Class B Common					
Stock	0.20	0.20	0.20	—	—
	As of June 30,				
	2018 ^(c)	2017 ^(c)	2016	2015	2014
	(in millions)				
BALANCE SHEET DATA:					
Cash and cash equivalents	\$ 2,034	\$ 2,016	\$ 1,832	\$ 1,951	\$ 3,145
Total assets ^(a)	16,346	14,552	15,483	15,035	16,351
Total borrowings ^(a)	1,952	379	372	—	—
Redeemable preferred stock	20	20	20	20	20

(a) During the fiscal year ended June 30, 2018, News Corp and Telstra Corporation Limited (“Telstra”) combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company. Following the completion of the transaction in April 2018, News Corp owns a 65% interest in new Foxtel, and Telstra owns the remaining 35%. Consequently, the Company began consolidating Foxtel in the fourth quarter of fiscal 2018. As a result of the transaction, Foxtel’s outstanding debt of approximately \$1.6 billion is included in the Balance Sheets as of June 30, 2018. See Note 3—Acquisitions, Disposals and Other Transactions in the accompanying Consolidated Financial Statements.

(b) During the fiscal year ended June 30, 2018, the Company recognized a \$957 million non-cash write-down of the carrying value of its investment in Foxtel. See Note 6—Investments in the accompanying Consolidated Financial Statements. Additionally, during the fiscal year ended June 30, 2018, the Company recognized non-cash impairment charges of \$280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit. See Note 8—Goodwill and Other Intangible Assets in the accompanying Consolidated Financial Statements. As a result of the Transaction, the Company recognized a \$337 million loss in Other, net, primarily related to the Company’s settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia which resulted in a \$317 million write-off of its channel distribution agreement intangible asset at the time of the Transaction. See Note 3—Acquisitions, Disposals and Other Transactions in the accompanying Consolidated Financial Statements.

During the fiscal year ended June 30, 2017, the Company recorded non-cash impairment charges of approximately \$785 million, of which approximately \$360 million related to the News and Information Services business in the U.K. and approximately \$310 million related to the News and Information Services

business in Australia. See Note 7—Property, Plant and Equipment in the accompanying Consolidated Financial Statements. Additionally, during the fiscal year ended June 30, 2017, the Company recognized a \$227 million non-cash write-down of the carrying value of its investment in Foxtel. The write-down is reflected in Equity (losses) earnings of affiliates in the Statements of Operations for the fiscal year ended June 30, 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

During the fiscal year ended June 30, 2016, the Company recognized \$158 million (\$98 million, net of tax) in net settlement costs associated with the NAM Group and Zillow legal settlements. The Company recognized one-time costs of approximately \$280 million in connection with the settlement of certain litigation and related claims at News America Marketing during the three months ended March 31, 2016. In addition, the Company recognized a gain of \$122 million in connection with the settlement of litigation with Zillow, Inc., which reflects settlement proceeds received from Zillow of \$130 million, less \$8 million paid to the National Association of Realtors® during the three months ended June 30, 2016. See Note 16—Commitments and Contingencies in the accompanying Consolidated Financial Statements.

- (c) See Notes 3, 4, 5, 6, 7, 8 and 16 in the accompanying Consolidated Financial Statements for information with respect to significant acquisitions, disposals, discontinued operations, impairment charges, restructuring charges, contingencies and legal settlements and other transactions during fiscal 2018, 2017 and 2016.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis contains statements that constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 27A of the Securities Act of 1933, as amended. All statements that are not statements of historical fact are forward-looking statements. The words “expect,” “estimate,” “anticipate,” “predict,” “believe” and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this discussion and analysis and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, trends affecting the Company’s financial condition or results of operations and the outcome of contingencies such as litigation and investigations. Readers are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. More information regarding these risks, uncertainties and other important factors that could cause actual results to differ materially from those in the forward-looking statements is set forth under the heading “Risk Factors” in Item 1A of this Annual Report on Form 10-K (the “Annual Report”). The Company does not ordinarily make projections of its future operating results and undertakes no obligation (and expressly disclaims any obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review this document and the other documents filed by the Company with the Securities and Exchange Commission (the “SEC”). This section should be read together with the Consolidated Financial Statements of News Corporation and related notes set forth elsewhere in this Annual Report.

INTRODUCTION

News Corporation (together with its subsidiaries, “News Corporation,” “News Corp,” the “Company,” “we,” or “us”) is a global diversified media and information services company comprised of businesses across a range of media, including: news and information services, book publishing, digital real estate services and subscription video services in Australia.

In April 2018, News Corp and Telstra combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company, which the Company refers to as “new Foxtel” (the “Transaction”). Following the completion of the Transaction, News Corp owns a 65% interest in the combined business, with Telstra owning the remaining 35%. Consequently, the Company began consolidating Foxtel in the fourth quarter of fiscal 2018. (See Note 3—Acquisitions, Disposals and Other Transactions in the accompanying Consolidated Financial Statements). The results of the combined business are reported within the Subscription Video Services segment (formerly the Cable Network Programming segment). The Company has revised its prior year discussion and analysis to reflect this segment name change. To enhance the comparability of the financial information provided to users, the Company has supplementally included pro forma financial information for the fiscal years ended June 30, 2018 and 2017 reflecting the Transaction within its discussion and analysis below.

During the first quarter of fiscal 2016, management approved a plan to dispose of the Company’s digital education business. As a result of the plan and the discontinuation of further significant business activities in the Digital Education segment, the assets and liabilities of this segment were classified as held for sale and the results of operations have been classified as discontinued operations for all periods presented. Unless indicated otherwise, the information in the notes to the Consolidated Financial Statements relates to the Company’s continuing operations. See Note 4—Discontinued Operations in the accompanying Consolidated Financial Statements.

The consolidated financial statements are referred to herein as the “Consolidated Financial Statements.” The consolidated statements of operations are referred to herein as the “Statements of Operations.” The consolidated balance sheets are referred to herein as the “Balance Sheets.” The consolidated statements of cash flows are

referred to herein as the “Statements of Cash Flows.” The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

Management’s discussion and analysis of financial condition and results of operations is intended to help provide an understanding of the Company’s financial condition, changes in financial condition and results of operations. This discussion is organized as follows:

- **Overview of the Company’s Business**—This section provides a general description of the Company’s businesses, as well as developments that occurred during the three fiscal years ended June 30, 2018 and through the date of this filing that the Company believes are important in understanding its results of operations and financial condition or to disclose known trends.
- **Results of Operations**—This section provides an analysis of the Company’s results of operations for the three fiscal years ended June 30, 2018. This analysis is presented on both a consolidated basis and a segment basis. In addition, a brief description is provided of significant transactions and events that impact the comparability of the results being analyzed. To enhance the comparability of the financial information provided to users, the Company has supplementally included pro forma financial information for fiscal 2018 and fiscal 2017 within its discussion and analysis below reflecting the Transaction. The Company maintains a 52-53 week fiscal year ending on the Sunday closest to June 30 in each year. Fiscal 2018, fiscal 2017 and fiscal 2016 included 52, 52 and 53 weeks, respectively. As a result, the Company has referenced the impact of the 53rd week, where applicable, when providing analysis of the results of operations.
- **Liquidity and Capital Resources**—This section provides an analysis of the Company’s cash flows for the three fiscal years ended June 30, 2018, as well as a discussion of the Company’s financial arrangements and outstanding commitments, both firm and contingent, that existed as of June 30, 2018.
- **Critical Accounting Policies**—This section discusses accounting policies considered important to the Company’s financial condition and results of operations, and which require significant judgment and estimates on the part of management in application. In addition, Note 2 to the Consolidated Financial Statements summarizes the Company’s significant accounting policies, including the critical accounting policies discussed in this section.

OVERVIEW OF THE COMPANY’S BUSINESSES

The Company manages and reports its businesses in the following five segments:

- **News and Information Services**—The News and Information Services segment includes the Company’s global print, digital and broadcast radio media platforms. These product offerings include the global print and digital versions of *The Wall Street Journal* and the Dow Jones Media Group, which includes *Barron’s* and MarketWatch, the Company’s suite of professional information products, including Factiva, Dow Jones Risk & Compliance, Dow Jones Newswires and DJX and its live journalism events. The Company also owns, among other publications, *The Australian*, *The Daily Telegraph*, *Herald Sun*, *The Courier Mail* and *The Advertiser* in Australia, *The Times*, *The Sunday Times*, *The Sun* and *The Sun on Sunday* in the U.K. and the *New York Post* in the U.S. This segment also includes News America Marketing, a leading provider of home-delivered shopper media, in-store marketing products and services and digital marketing solutions, including Checkout 51’s mobile application, as well as Unruly, a global video advertising marketplace, Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency.
- **Book Publishing**—The Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world, with operations in 18 countries and particular strengths in general fiction, nonfiction, children’s and religious publishing. HarperCollins owns more than 120 branded publishing imprints, including Harper, William Morrow, HarperCollins Children’s Books,

Avon, Harlequin and Christian publishers Zondervan and Thomas Nelson, and publishes works by well-known authors such as Harper Lee, Patricia Cornwell, Chip and Joanna Gaines, Rick Warren, Sarah Young and Agatha Christie and popular titles such as *The Hobbit*, *Goodnight Moon*, *To Kill a Mockingbird*, *Jesus Calling* and *Hillbilly Elegy*.

- **Digital Real Estate Services**—The Digital Real Estate Services segment consists of the Company’s 61.6% interest in REA Group and 80% interest in Move. The remaining 20% interest in Move is held by REA Group. REA Group is a market-leading digital media business specializing in property and is listed on the Australian Securities Exchange (“ASX”) (ASX: REA). REA Group advertises property and property-related services on its websites and mobile applications across Australia and Asia, including Australia’s leading residential and commercial property websites, realestate.com.au and realcommercial.com.au, and property portals in Asia. In addition, REA Group provides property-related data to the financial sector and financial services through an end-to-end digital property search and financing experience and a mortgage broking offering.

Move is a leading provider of online real estate services in the U.S. and primarily operates realtor.com®, a premier real estate information and services marketplace. Move offers real estate advertising solutions to agents and brokers, including its ConnectionsSM for Buyers and AdvantageSM Pro products. Move also offers a number of professional software and services products, including Top Producer®, FiveStreet® and ListHub™.

- **Subscription Video Services**—The Company’s Subscription Video Services segment provides video sports, entertainment and news services to pay-TV subscribers and other commercial licensees, primarily via cable, satellite and Internet Protocol, or IP, distribution, and consists of (i) its 65% interest in new Foxtel and (ii) Australian News Channel Pty Ltd (“ANC”). The remaining 35% interest in new Foxtel is held by Telstra, an ASX-listed telecommunications company. New Foxtel is the largest pay-TV provider in Australia, with over 200 channels covering sports, general entertainment, movies, documentaries, music, children’s programming and news and broadcast rights to live sporting events in Australia including: National Rugby League, Australian Football League, Cricket Australia, the domestic football league, the Australian Rugby Union and various motorsports programming.

ANC operates the SKY NEWS network, Australia’s 24-hour multi-channel, multi-platform news service. ANC channels are distributed throughout Australia and New Zealand and available on Foxtel and Sky Network Television NZ. ANC also owns and operates the international Australia Channel IPTV service and offers content across a variety of digital media platforms, including mobile, podcasts and social media websites.

- **Other**—The Other segment consists primarily of general corporate overhead expenses, the corporate Strategy Group and costs related to the U.K. Newspaper Matters (as defined in “Item 3. Legal Proceedings” in this Annual Report). The Company’s Strategy Group identifies new products and services across its businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions.

News and Information Services

Revenue at the News and Information Services segment is derived primarily from the sale of advertising, circulation and subscriptions, as well as licensing. Adverse changes in general market conditions for advertising continue to affect revenues. Advertising revenues at the News and Information Services segment are also subject to seasonality, with revenues typically being highest in the Company’s second fiscal quarter due to the end-of-year holiday season in its main operating geographies. Circulation and subscription revenues can be greatly affected by changes in the prices of the Company’s and/or competitors’ products, as well as by promotional activities.

Operating expenses include costs related to paper, production, distribution, third party printing, editorial, commissions and radio sports rights. Selling, general and administrative expenses include promotional expenses, salaries, employee benefits, rent and other routine overhead.

The News and Information Services segment's advertising volume and rates, circulation and the price of paper are the key variables whose fluctuations can have a material effect on the Company's operating results and cash flow. The Company has to anticipate the level of advertising volume and rates, circulation and paper prices in managing its businesses to maximize operating profit during expanding and contracting economic cycles. The Company continues to be exposed to risks associated with paper used for printing. Paper is a basic commodity and its price is sensitive to the balance of supply and demand. The Company's expenses are affected by the cyclical increases and decreases in the price of paper and other factors that may affect paper prices, including tariffs or other restrictions on non-U.S. paper suppliers. The News and Information Services segment's products compete for readership, audience and advertising with local and national competitors and also compete with other media alternatives in their respective markets. Competition for circulation and subscriptions is based on the content of the products provided, pricing and, from time to time, various promotions. The success of these products also depends upon advertisers' judgments as to the most effective use of their advertising budgets. Competition for advertising is based upon the reach of the products, advertising rates and advertiser results. Such judgments are based on factors such as cost, availability of alternative media, distribution and quality of consumer demographics.

The Company's traditional print business faces challenges from alternative media formats and shifting consumer preferences. The Company is also exposed to the impact of long-term structural movements in advertising spending, in particular, the move in advertising from print to digital. These alternative media formats could impact the Company's overall performance, positively or negatively. In addition, technologies have been and will continue to be developed that allow users to block advertising on websites and mobile devices, which may impact advertising rates or revenues.

As a multi-platform news provider, the Company recognizes the importance of maximizing revenues from a variety of media formats and platforms, both in terms of paid-for content and in new advertising models, and continues to invest in its digital products. Smartphones, tablets and similar devices, their related applications, and other technologies, provide continued opportunities for the Company to make its content available to a new audience of readers, introduce new or different pricing schemes, and develop its products to continue to attract advertisers and/or affect the relationship between content providers and consumers. The Company continues to develop and implement strategies to exploit its content across a variety of media channels and platforms.

Book Publishing

The Book Publishing segment derives revenues from the sale of general fiction, nonfiction, children's and religious books in the U.S. and internationally. The revenues and operating results of the Book Publishing segment are significantly affected by the timing of releases and the number of its books in the marketplace. The book publishing marketplace is subject to increased periods of demand during the end-of-year holiday season in its main operating geographies. This marketplace is highly competitive and continues to change due to technological developments, including additional digital platforms and distribution channels, and other factors. Each book is a separate and distinct product, and its financial success depends upon many factors, including public acceptance.

Major new title releases represent a significant portion of the Book Publishing segment's sales throughout the fiscal year. Print-based consumer books are generally sold on a fully returnable basis, resulting in the return of unsold books. In the domestic and international markets, the Book Publishing segment is subject to global trends and local economic conditions. Operating expenses for the Book Publishing segment include costs related to paper, printing, authors' royalties, editorial, promotional, art and design expenses. Selling, general and administrative expenses include salaries, employee benefits, rent and other routine overhead.

Digital Real Estate Services

The Digital Real Estate Services segment generates revenue through property and property-related advertising and services, including the sale of real estate listing products to agents, brokers and developers, display advertising on its residential real estate and commercial property sites and residential property data services to the financial sector. The Digital Real Estate Services segment also generates revenue through licenses of certain professional software products on a subscription basis and fees and commissions from referrals generated through its end-to-end digital property search and financing offering and mortgage broking services. Significant expenses associated with these sites, services and software solutions include development costs, advertising and promotional expenses, hosting and support services, salaries, broker commissions, employee benefits and other routine overhead expenses.

Consumers are increasingly turning to the Internet and mobile devices for real estate information and services. The Digital Real Estate Services segment's success depends on its continued innovation to provide products and services that are useful for consumers and real estate, mortgage and financial services professionals and attractive to its advertisers. The Digital Real Estate Services segment operates in a highly competitive digital environment with other real estate and property websites.

Subscription Video Services

The Company's Subscription Video Services segment consists of (i) its 65% interest in new Foxtel and (ii) ANC. New Foxtel is the largest pay-TV provider in Australia, delivering over 200 channels including the leading sports programming content in Australia. New Foxtel generates revenue primarily through subscription revenue as well as advertising revenue.

New Foxtel competes for audiences primarily with Free-To-Air ("FTA") TV operators in Australia, including the three major commercial FTA networks and two major government-funded FTA broadcasters, as well as other pay-TV operators, IPTV providers and subscription video-on-demand services such as Fetch TV, Netflix, Stan, Amazon Prime Video, hayu and Mubi.

ANC operates the SKY NEWS network, Australia's 24-hour multi-channel, multi-platform news service, and also owns and operates the Australia Channel IPTV service for international markets. Revenue is primarily derived from monthly affiliate fees received from pay-TV providers based on the number of subscribers and advertising.

The most significant operating expenses of the Subscription Video Services segment are the acquisition and production expenses related to programming, the expenses related to operating the technical facilities of the broadcast operations, expenses related to cable, satellite, Internet and broadband transmission costs and studio and engineering expense. The expenses associated with licensing certain programming rights are recognized during the applicable season or event, which can cause results at the Subscription Video Services segment to fluctuate based on the timing and mix of new Foxtel's local and international sports programming. Programming rights associated with a dedicated channel are amortized over twelve months. Other expenses include subscriber acquisition costs such as sales costs and marketing and promotional expenses related to improving the market visibility and awareness of the channels and their programming. Additional expenses include salaries, employee benefits, rent and other routine overhead expenses.

Other

The Other segment primarily consists of general corporate overhead expenses, the corporate Strategy Group and costs related to the U.K. Newspaper Matters. The Company's Strategy Group identifies new products and services across the Company's businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions.

Other Business Developments

In June 2018, REA Group acquired Hometrack Australia Pty Ltd (“Hometrack Australia”) for A\$130 million (approximately \$100 million) in cash, which was funded with a mix of cash on hand and debt of A\$70 million (approximately \$53 million). Hometrack Australia is a provider of property data services to the financial sector and it allows REA Group to deliver more property data and insights to its customers. Hometrack Australia is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment.

In April 2018, News Corp and Telstra combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company, new Foxtel. Following the completion of the Transaction, News Corp owns a 65% interest in new Foxtel, and Telstra owns the remaining 35%. The combination allows Foxtel and FOX SPORTS Australia to leverage their media platforms and content to improve services for consumers and advertisers. The results of new Foxtel are reported within the Subscription Video Services segment (formerly, the Cable Network Programming segment), and it is considered a separate reporting unit for purposes of the Company’s annual goodwill impairment review.

In July 2017, REA Group acquired an 80.3% interest in Smartline Home Loans Pty Limited (“Smartline”) for approximately A\$70 million in cash (approximately \$55 million). The minority shareholders have the option to sell the remaining 19.7% interest to REA Group beginning three years after closing at a price dependent on the financial performance of Smartline. If the option is not exercised, the minority interest will become mandatorily redeemable four years after closing. As a result, REA Group recognized a liability of \$12 million in the three months ended September 30, 2017 for the present value of the amount expected to be paid for the remaining interest based on the formula specified in the acquisition agreement. Smartline is one of Australia’s premier mortgage broking franchise groups, and the acquisition provides REA Group’s financial services business with greater scale and capability. Smartline is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment.

In January 2017, REA Group acquired an approximate 15% interest in Elara Technologies Pte. Ltd., a leading online real estate services provider in India (“Elara”), for \$50 million. Elara operates PropTiger.com, Makaan.com and Housing.com, and the investment further strengthens REA Group’s presence in Asia. Following the completion of the investment and certain related transactions, including Elara’s acquisition of Housing.com, News Corporation’s pre-existing interest in Elara decreased to approximately 23%.

In December 2016, REA Group sold its European business for approximately \$140 million (approximately €133 million) in cash, which resulted in a pre-tax gain of \$107 million for the fiscal year ended June 30, 2017. The sale allows REA Group to focus on its core businesses in Australia and Asia.

In September 2016, the Company completed its acquisition of Wireless Group plc (“Wireless Group”) for a purchase price of 315 pence per share in cash, or approximately £220 million (approximately \$285 million) in the aggregate, plus \$23 million of assumed debt which was repaid subsequent to closing. Wireless Group operates talkSPORT, the leading sports radio network in the U.K., and a portfolio of radio stations in the U.K. and Ireland. The acquisition broadens the Company’s range of services in the U.K., Ireland and internationally and the Company continues to closely align Wireless Group’s operations with those of *The Sun* and *The Times*. Wireless Group’s results are included within the News and Information Services segment, and it is considered a separate reporting unit for purposes of the Company’s annual goodwill impairment review.

In addition to the acquisitions noted above, the Company used \$62 million of cash for additional acquisitions during fiscal 2017, primarily consisting of Australian Regional Media (“ARM”). ARM’s results are included within the News and Information Services segment.

In February 2016, REA Group increased its investment in iProperty Group Limited (“iProperty”) from 22.7% to approximately 86.9% for A\$482 million in cash (approximately \$340 million). The remaining 13.1% interest was

mandatorily redeemable during fiscal 2018, and as a result, the Company recognized a liability of approximately \$76 million at the time of acquisition. The acquisition was funded primarily with the proceeds from borrowings under an unsecured syndicated revolving loan facility (the “REA Facility”). (See Note 9—Borrowings in the accompanying Consolidated Financial Statements). The acquisition of iProperty extends REA Group’s market leading business in Australia to attractive markets throughout Southeast Asia. iProperty is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment. During the fiscal year ended June 30, 2016, REA Group recognized a gain of \$29 million related to the revaluation of its previously held equity interest in iProperty in Other, net in the Statements of Operations. The mandatorily redeemable noncontrolling interest was redeemed in April 2018 and the amount paid was based on the actual performance of the business against the targets stipulated in the acquisition agreement.

On September 30, 2015, the Company acquired Unruly Holdings Limited (“Unruly”) for approximately £60 million (approximately \$90 million) in cash and up to £56 million (approximately \$86 million) in future cash consideration related to payments primarily contingent upon the achievement of certain performance objectives. Unruly is a global video advertising marketplace that is focused on delivering branded video advertising across websites and mobile devices. Unruly’s results are included within the News and Information Services segment, and it is considered a separate reporting unit for purposes of the Company’s annual goodwill impairment review.

In addition to the acquisitions noted above, the Company used \$90 million of cash for additional acquisitions during fiscal 2016, primarily consisting of DIAKRIT International Limited (“DIAKRIT”), Flatmates.com.au Pty Ltd (“Flatmates”) and Checkout 51 Mobile Apps ULC (“Checkout 51”). DIAKRIT and Flatmates’ results are included within the Digital Real Estate Services segment, and Checkout 51’s results are included within the News and Information Services segment.

Results of Operations—Fiscal 2018 versus Fiscal 2017 (as reported)

The following table sets forth the Company’s operating results for fiscal 2018 as compared to fiscal 2017.

	For the fiscal years ended June 30,			
	2018	2017	Change	% Change
(in millions, except %)	Better/(Worse)			
Revenues:				
Advertising	\$ 2,799	\$ 2,860	\$ (61)	(2)%
Circulation and subscription	3,021	2,470	551	22%
Consumer	1,664	1,573	91	6%
Real estate	858	696	162	23%
Other	682	540	142	26%
Total Revenues	9,024	8,139	885	11%
Operating expenses	(4,903)	(4,529)	(374)	(8)%
Selling, general and administrative	(3,049)	(2,725)	(324)	(12)%
Depreciation and amortization	(472)	(449)	(23)	(5)%
Impairment and restructuring charges	(351)	(927)	576	62%
Equity losses of affiliates	(1,006)	(295)	(711)	**
Interest, net	(7)	39	(46)	**
Other, net	(325)	132	(457)	**
Loss before income tax expense	(1,089)	(615)	(474)	(77)%
Income tax expense	(355)	(28)	(327)	**
Net loss	(1,444)	(643)	(801)	**
Less: Net income attributable to noncontrolling interests	(70)	(95)	25	26%
Net loss attributable to News Corporation	<u>\$(1,514)</u>	<u>\$ (738)</u>	<u>\$(776)</u>	<u>**</u>

** not meaningful

Revenues—Revenues increased \$885 million, or 11%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The Revenue increase was primarily due to higher revenues at the Subscription Video Services segment of \$510 million resulting in large part from the Transaction, which contributed \$461 million to the increase. The Revenue increase was also attributable to higher revenues of \$203 million at the Digital Real Estate Services segment, mainly due to increased revenues at both REA Group and Move, and \$122 million at the Book Publishing segment as a result of strong frontlist and backlist sales in the general books category and \$28 million from the sublicensing agreement for J.R.R. Tolkien’s *The Lord of the Rings* trilogy.

The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$172 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The Company calculates the impact of foreign currency fluctuations for businesses reporting in currencies other than the U.S. dollar by multiplying the results for each quarter in the current period by the difference between the average exchange rate for that quarter and the average exchange rate in effect during the corresponding quarter of the prior year and totaling the impact for all quarters in the current period.

Operating expenses—Operating expenses increased \$374 million, or 8%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The increase in Operating expenses for the fiscal year ended June 30, 2018 was mainly due to higher operating expenses at the Subscription Video Services segment of \$313 million primarily resulting from the Transaction and, to a lesser extent, the timing of programming amortization related to the launch of a dedicated National Rugby League channel, higher National Rugby League programming rights costs and the acquisition of ANC. The Book Publishing segment also contributed \$54 million to the increase primarily due to higher costs associated with higher revenues and the impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in an Operating expense increase of \$84 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

Selling, general and administrative expenses—Selling, general and administrative expenses increased \$324 million, or 12%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The increase in Selling, general and administrative expenses was primarily due to higher expenses of \$147 million at the Subscription Video Services segment, primarily as a result of the Transaction, and \$108 million at the Digital Real Estate Services segment primarily due to higher costs associated with higher revenues, the acquisition of Smartline and increased marketing costs at Move. The increase was also attributable to higher expenses of \$81 million at the News and Information Services segment primarily related to higher compensation and marketing costs, the \$55 million increase from foreign currency fluctuations, as well as the absence of a \$12 million adjustment to reduce the deferred consideration accrual related to the acquisition of Unruly which did not recur in the current year period. These increases were partially offset by the \$46 million impact from the reversal of a portion of the previously accrued liability for the U.K. Newspaper Matters and the corresponding receivable from 21st Century Fox as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes in the first quarter of fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense increase of \$71 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

Depreciation and amortization—Depreciation and amortization expense increased \$23 million, or 5%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017, primarily as a result of an additional \$78 million of depreciation and amortization expense due to the Transaction. The increase was partially offset by lower depreciation expense of \$60 million at the News and Information Services segment, primarily due to the write down of fixed assets at the U.K. and Australian newspapers during fiscal 2017.

Impairment and restructuring charges—During the fiscal years ended June 30, 2018 and 2017, the Company recorded restructuring charges of \$71 million and \$142 million, respectively, primarily related to employee termination benefits in the News and Information Services segment.

During the fiscal year ended June 30, 2018, the Company recognized non-cash impairment charges of \$280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit.

During the fiscal year ended June 30, 2017, the Company recognized total non-cash impairment charges of \$785 million, primarily at News UK and News Corp Australia. The charges consisted of a write-down of the Company's fixed assets of \$679 million, a write-down of intangible assets of \$58 million and a write-down of goodwill of \$48 million.

See Note 5—Restructuring Programs, Note 7—Property, Plant and Equipment and Note 8—Goodwill and Other Intangible Assets in the accompanying Consolidated Financial Statements.

Equity losses of affiliates—Equity losses of affiliates increased \$711 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The increase in losses for the fiscal year ended June 30, 2018 was primarily due to a \$957 million non-cash write-down of the carrying value of the Company's investment in Foxtel in the third quarter of fiscal 2018 due to lower-than-expected revenues from certain new products and broadcast subscribers. The increase was partially offset by the absence of the \$227 million non-cash write-down of the carrying value of the Company's investment in Foxtel during the second quarter of fiscal 2017.

	For the fiscal years ended June 30,			
	2018	2017	Change	% Change
(in millions, except %)				Better/(Worse)
Foxtel ^(a)	\$ (974)	\$(265)	\$(709)	**
Other equity affiliates, net ^(b)	(32)	(30)	(2)	7%
Total Equity losses of affiliates	<u>\$(1,006)</u>	<u>\$(295)</u>	<u>\$(711)</u>	<u>**</u>

** not meaningful

(a) The fiscal years ended June 30, 2018 and 2017 include the write-downs discussed above. See Note 6—Investments in the accompanying Consolidated Financial Statements.

In accordance with Accounting Standards Codification (“ASC”) 350, “Intangibles—Goodwill and Other” (“ASC 350”), the Company amortized \$49 million and \$68 million related to excess cost over the Company's proportionate share of its investment's underlying net assets allocated to finite-lived intangible assets during the fiscal years ended June 30, 2018 and 2017, respectively. Such amortization is reflected in Equity losses of affiliates in the Statement of Operations. The Company began consolidating the results of Foxtel in the fourth quarter of fiscal 2018 as a result of the Transaction. See Note 6—Investments in the accompanying Consolidated Financial Statements.

(b) Other equity affiliates, net for the fiscal year ended June 30, 2018 and 2017 include losses primarily from the Company's interest in Elara. Additionally, during the fiscal years ended June 30, 2018 and 2017, the Company recognized non-cash write-downs of \$13 million and \$9 million, respectively, on certain other equity method investments. The write-downs are reflected in Equity losses of affiliates in the Statements of Operations for the fiscal years ended June 30, 2018 and 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

Interest, net—Interest, net for the fiscal year ended June 30, 2018 decreased \$46 million, as compared to fiscal 2017, primarily due to lower interest income due to the repayment of the Foxtel shareholder note in the first quarter of fiscal 2018 (See Note 6—Investments in the accompanying Consolidated Financial Statements), higher interest expense as a result of the Transaction and the absence of an adjustment of the deferred consideration related to REA Group's acquisition of iProperty recognized in the second quarter of fiscal 2017. As a result of the Transaction, the Company recorded outstanding debt of approximately \$1.8 billion. See Note 9—Borrowings in the accompanying Consolidated Financial Statements.

Other, net—Other, net decreased \$457 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017. See Note 21—Additional Financial Information in the accompanying Consolidated Financial Statements.

Income tax (expense) benefit—The Company’s income tax expense and effective tax rate for the fiscal year ended June 30, 2018 were \$355 million and (33%), respectively, as compared to an income tax expense and effective tax rate of \$28 million and (5%), respectively, for fiscal 2017.

For the fiscal year ended June 30, 2018 the Company recorded a tax expense of \$355 million on pre-tax loss of \$1,089 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to \$340 million of lower tax benefits on impairments and write-downs of approximately \$1.3 billion, \$88 million of lower tax benefits related to the \$337 million loss for the settlement of the pre-existing contractual arrangement between FOX SPORTS Australia and Foxtel as a result of the Transaction and a tax expense of \$237 million related to the impact of the Tax Act, offset by a tax benefit of approximately \$49 million related to the settlement of pre-Separation tax matters with the Internal Revenue Service.

For the fiscal year ended June 30, 2017 the Company recorded a tax expense of \$28 million on pre-tax loss of \$615 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to \$139 million of lower tax benefits on impairments and write-downs in foreign jurisdictions of approximately \$1 billion, a tax expense of approximately \$63 million related to the settlement of a foreign tax audit and \$40 million related to the recording of a valuation allowance against foreign net operating losses, offset by lower taxes on the sale of certain business assets.

Net loss—Net loss increased \$801 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017 primarily due to higher equity losses of affiliates resulting from the \$957 million non-cash write-down of the carrying value of the Company’s investment in Foxtel, the loss on the Transaction, non-cash impairment charges of approximately \$280 million mainly related to News America Marketing and FOX SPORTS Australia and the tax impacts discussed above in fiscal 2018 and the absence of the gain recognized on the sale of REA Group’s European business in fiscal 2017, partially offset by the absence of the non-cash impairment charges of approximately \$785 million primarily related to the write-down of fixed assets at the U.K. and Australian newspapers and the \$227 million non-cash write-down of the Company’s investment in Foxtel in the prior year period.

Net income attributable to noncontrolling interests—Net income attributable to noncontrolling interests decreased by \$25 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017, primarily due to the absence of the gain recognized on the sale of REA Group’s European business.

Segment Analysis

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses. Segment EBITDA does not include: depreciation and amortization, impairment and restructuring charges, equity losses of affiliates, interest, net, other, net, income tax (expense) benefit and net income attributable to noncontrolling interests. Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

Segment EBITDA is the primary measure used by the Company’s chief operating decision maker to evaluate the performance of and allocate resources within the Company’s businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company’s business segments and its enterprise value against historical data and competitors’ data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment EBITDA is a non-GAAP measure and should be considered in addition to, not as a substitute for, net income (loss), cash flow and other measures of financial performance reported in accordance with GAAP. In

addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment and restructuring charges, which are significant components in assessing the Company's financial performance. The Company believes that the presentation of Total Segment EBITDA provides useful information regarding the Company's operations and other factors that affect the Company's reported results. Specifically, the Company believes that by excluding certain one-time or non-cash items such as impairment and restructuring charges and depreciation and amortization, as well as potential distortions between periods caused by factors such as financing and capital structures and changes in tax positions or regimes, the Company provides users of its consolidated financial statements with insight into both its core operations as well as the factors that affect reported results between periods but which the Company believes are not representative of its core business. As a result, users of the Company's consolidated financial statements are better able to evaluate changes in the core operating results of the Company across different periods. The following table reconciles Net loss to Total Segment EBITDA for the fiscal years ended June 30, 2018 and 2017:

(in millions)	For the fiscal years ended June 30,	
	2018	2017
Net loss	\$(1,444)	\$(643)
Add:		
Income tax expense	355	28
Other, net	325	(132)
Interest, net	7	(39)
Equity losses of affiliates	1,006	295
Impairment and restructuring charges	351	927
Depreciation and amortization	472	449
Total Segment EBITDA	<u>\$ 1,072</u>	<u>\$ 885</u>

(in millions)	For the fiscal years ended June 30,			
	2018		2017	
	Revenues	Segment EBITDA	Revenues	Segment EBITDA
News and Information Services	\$5,119	\$ 392	\$5,069	\$ 414
Book Publishing	1,758	244	1,636	199
Digital Real Estate Services	1,141	401	938	324
Subscription Video Services	1,004	173	494	123
Other	2	(138)	2	(175)
Total	<u>\$9,024</u>	<u>\$1,072</u>	<u>\$8,139</u>	<u>\$ 885</u>

News and Information Services (57% and 62% of the Company's consolidated revenues in fiscal 2018 and 2017, respectively)

(in millions, except %)	For the fiscal years ended June 30,			
	2018	2017	Change	% Change
			Better/(Worse)	
Revenues:				
Advertising	\$ 2,532	\$ 2,608	\$ (76)	(3)%
Circulation and subscription	2,115	2,010	105	5%
Other	472	451	21	5%
Total Revenues	5,119	5,069	50	1%
Operating expenses	(2,934)	(2,943)	9	**
Selling, general and administrative	(1,793)	(1,712)	(81)	(5)%
Segment EBITDA	\$ 392	\$ 414	\$ (22)	(5)%

** —not meaningful

For the fiscal year ended June 30, 2018, revenues at the News and Information Services segment increased \$50 million, or 1%, as compared to fiscal 2017. The revenue increase was primarily due to higher circulation and subscription revenues of \$105 million as compared to the corresponding period of fiscal 2017, mainly due to cover price and subscription price increases, the \$53 million positive impact of foreign currency fluctuations, digital subscriber growth, primarily at *The Wall Street Journal* and in Australia, higher professional information business revenues at Dow Jones and the contribution from the acquisition of ARM. These increases were partially offset by lower single-copy sales in the U.K., primarily at *The Sun*, and in Australia. Advertising revenues for the fiscal year ended June 30, 2018 decreased \$76 million as compared to fiscal 2017 primarily due to weakness in the print advertising market across mastheads and lower revenues at News America Marketing of \$75 million. These decreases were partially offset by the \$47 million positive impact of foreign currency fluctuations, the \$42 million and \$38 million contributions from the acquisitions of Wireless Group and ARM, respectively, and digital advertising growth, primarily in Australia and the U.K. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$119 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

For the fiscal year ended June 30, 2018, Segment EBITDA at the News and Information Services segment decreased \$22 million, or 5%, as compared to fiscal 2017. The decrease was primarily due to the \$12 million impact from the absence of the adjustment to reduce the deferred consideration accrual related to the acquisition of Unruly in the prior year period.

Dow Jones

Revenues were \$1,511 million for the fiscal year ended June 30, 2018, an increase of \$32 million, or 2%, as compared to fiscal 2017 revenues of \$1,479 million. Circulation and subscription revenues increased \$84 million, primarily due to the \$56 million impact mainly from digital subscriber growth and subscription price increases at *The Wall Street Journal*, as well as \$28 million of higher professional information business revenues led by Risk & Compliance. Advertising revenues decreased \$55 million, primarily due to weakness in the print advertising market and the decision to cease *The Wall Street Journal's* international print editions in the second quarter of fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$9 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

News Corp Australia

Revenues at the Australian newspapers were \$1,279 million for the fiscal year ended June 30, 2018, an increase of \$8 million, or 1%, compared to fiscal 2017 revenues of \$1,271 million. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$35 million, or 3%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. Circulation and subscription revenues increased

\$17 million due to the \$13 million contribution from the acquisition of ARM and the \$12 million positive impact of foreign currency fluctuations, as cover price increases and digital subscriber growth were more than offset by the impact of print volume declines. Advertising revenues decreased \$11 million, primarily as a result of the \$80 million impact of weakness in the print advertising market and the \$8 million impact from the sale of *Perth Sunday Times* in November 2016. These decreases were partially offset by the acquisition of ARM, the \$19 million positive impact of foreign currency fluctuations and \$18 million of digital advertising growth.

News UK

Revenues were \$1,076 million for the fiscal year ended June 30, 2018, an increase of \$39 million, or 4%, as compared to fiscal 2017 revenues of \$1,037 million. Advertising revenues increased \$16 million, primarily due to the \$19 million positive impact of foreign currency fluctuations, as weakness in the print advertising market more than offset digital advertising growth. Circulation and subscription revenues increased \$9 million, primarily due to the \$32 million positive impact of foreign currency fluctuations and the \$15 million impact of cover price increases across mastheads, partially offset by the \$36 million impact of single-copy volume declines, mainly at *The Sun*. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$63 million, or 6%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

News America Marketing

Revenues at News America Marketing were \$956 million for the fiscal year ended June 30, 2018, a decrease of \$65 million, or 6%, as compared to fiscal 2017 revenues of \$1,021 million. The decrease was primarily related to lower home delivered revenues of \$74 million, mainly due to lower volume and rate and lower custom publishing.

Book Publishing (19% and 20% of the Company's consolidated revenues in fiscal 2018 and 2017, respectively)

	For the fiscal years ended June 30,			
	2018	2017	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues:				
Consumer	\$ 1,664	\$ 1,573	\$ 91	6%
Other	94	63	31	49%
Total Revenues	1,758	1,636	122	7%
Operating expenses	(1,178)	(1,124)	(54)	(5)%
Selling, general and administrative	(336)	(313)	(23)	(7)%
Segment EBITDA	\$ 244	\$ 199	\$ 45	23%

For the fiscal year ended June 30, 2018, revenues at the Book Publishing segment increased \$122 million, or 7%, as compared to fiscal 2017. The increase was mainly due to strong frontlist and backlist sales in the general books category, which increased \$54 million, including *The Subtle Art Of Not Giving A F*ck* by Mark Manson, *Magnolia Table* by Joanna Gaines, *The Pioneer Woman Cooks: Come and Get It!* by Ree Drummond, *The Woman In The Window* by A.J. Finn and *Hillbilly Elegy* by J.D. Vance, \$28 million from the sublicensing agreement for J.R.R Tolkien's *The Lord of the Rings* trilogy and the \$25 million positive impact of foreign currency fluctuations. Digital sales increased 6% compared to the prior year period, driven by growth in downloadable audiobook sales, and represented 19% of Consumer revenues during the fiscal year ended June 30, 2018.

For the fiscal year ended June 30, 2018, Segment EBITDA at the Book Publishing segment increased \$45 million, or 23%, as compared to fiscal 2017. The increase was primarily due to the higher revenues discussed above and the mix of titles as compared to the prior year.

Digital Real Estate Services (13% and 12% of the Company's consolidated revenues in fiscal 2018 and 2017, respectively)

	For the fiscal years ended June 30,			
	2018	2017	Change	% Change
(in millions, except %)	Better/(Worse)			
Revenues:				
Advertising	\$ 139	\$ 165	\$ (26)	(16)%
Circulation and subscription	56	58	(2)	(3)%
Real estate	858	696	162	23%
Other	88	19	69	**
Total Revenues	1,141	938	203	22%
Operating expenses	(138)	(120)	(18)	(15)%
Selling, general and administrative	(602)	(494)	(108)	(22)%
Segment EBITDA	\$ 401	\$ 324	\$ 77	24%

** —not meaningful

For the fiscal year ended June 30, 2018, revenues at the Digital Real Estate Services segment increased \$203 million, or 22%, as compared to fiscal 2017. At REA Group, revenues increased \$141 million, or 27%, to \$666 million in fiscal 2018 from \$525 million in fiscal 2017. The higher revenues were primarily due to a \$74 million increase in Australian residential depth revenue, the \$55 million contribution from the acquisition of Smartline and the \$18 million positive impact of foreign currency fluctuations, partially offset by the \$19 million impact resulting from the sale of REA Group's European business in December 2016. Revenues at Move increased \$58 million, or 15%, to \$452 million in fiscal 2018 from \$394 million in fiscal 2017, primarily due to a \$61 million increase in ConnectionsSM for Buyers product revenues driven by improvement in yield optimization and growth in leads and customers.

For the fiscal year ended June 30, 2018, Segment EBITDA at the Digital Real Estate Services segment increased \$77 million, or 24%, as compared to fiscal 2017. The increase in Segment EBITDA was the result of higher contributions from REA Group and Move of \$71 million and \$5 million, respectively, primarily due to the higher revenues noted above, partially offset by \$50 million in higher costs associated with higher revenues, \$43 million in broker commissions from the acquisition of Smartline and \$28 million of higher marketing costs, primarily at Move, to drive audience growth.

Subscription Video Services (11% and 6% of the Company's consolidated revenues in fiscal 2018 and 2017, respectively)

	For the fiscal years ended June 30,			
	2018	2017	Change	% Change
(in millions, except %)	Better/(Worse)			
Revenues:				
Advertising	\$ 127	\$ 86	\$ 41	48%
Circulation and subscription	850	402	448	**
Other	27	6	21	**
Total Revenues	1,004	494	510	**
Operating expenses	(654)	(341)	(313)	(92)%
Selling, general and administrative	(177)	(30)	(147)	**
Segment EBITDA	\$ 173	\$ 123	\$ 50	41%

** —not meaningful

For the fiscal year ended June 30, 2018, revenues at the Subscription Video Services segment increased \$510 million, as compared to fiscal 2017. The revenue increase was primarily due to the Transaction, which contributed \$461 million of revenue in the fourth quarter of fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$10 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017. See the “Results of Operations—Fiscal 2018 versus Fiscal 2017 (pro forma)” section below for additional details.

For the fiscal year ended June 30, 2018, Segment EBITDA at the Subscription Video Services segment increased \$50 million, or 41%, as compared to fiscal 2017. The increase in Segment EBITDA was due to the Transaction.

Results of Operations—Fiscal 2018 versus Fiscal 2017 (pro forma)

The following supplemental unaudited pro forma information for the fiscal years ended June 30, 2018 and 2017 reflect the Company’s results of operations as if the Transaction had occurred on July 1, 2016. The Company believes that the presentation of this supplemental information enhances comparability across the reporting periods. The information was prepared in accordance with Article 11 of Regulation S-X and is based on historical results of operations of News Corp and Foxtel, adjusted for the effect of Transaction-related accounting adjustments, as described below. Pro forma adjustments were based on available information and assumptions regarding impacts that are directly attributable to the Transaction, are factually supportable, and are expected to have a continuing impact on the combined results. However, these adjustments are subject to change as valuations are finalized. In addition, the pro forma information is provided for supplemental and informational purposes only, and is not necessarily indicative of what the Company’s results of operations would have been, or the Company’s future results of operations, had the Transaction actually occurred on the date indicated. The unaudited pro forma information should be read in conjunction with other sections of this “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, as well as “Selected Financial Data” and the Consolidated Financial Statements and related notes appearing elsewhere in this Annual Report.

Pro Forma (unaudited)
For the fiscal year ended June 30, 2018

	News Corp Historical^(a)	Foxtel Historical^(b)	Transaction Adjustments	Pro Forma
(in millions, except per share amounts)				
Revenues:				
Advertising	\$ 2,799	\$ 141	\$ —	\$ 2,940
Circulation and subscription	3,021	1,638	(278) ^{(c)(d)}	4,381
Consumer	1,664	—	—	1,664
Real estate	858	—	—	858
Other	682	39	—	721
Total Revenues	9,024	1,818	(278)	10,564
Operating expenses	(4,903)	(1,136)	291 ^{(c)(e)}	(5,748)
Selling, general and administrative	(3,049)	(340)	17 ^(f)	(3,372)
Depreciation and amortization	(472)	(187)	(17) ^{(g)(h)(i)}	(676)
Impairment and restructuring charges	(351)	(5)	(957) ^(j)	(1,313)
Equity losses of affiliates	(1,006)	5	974 ⁽ⁱ⁾	(27)
Interest, net	(7)	(76)	—	(83)
Other, net	(325)	(2)	337 ^(k)	10
(Loss) income before income tax expense	(1,089)	77	367	(645)
Income tax expense	(355)	(13)	(5) ^(l)	(373)
Net loss (income)	(1,444)	64	362	(1,018)
Less: Net (loss) income attributable to noncontrolling interests	(70)	1	(27) ^(m)	(96)
Net (loss) income attributable to News Corporation	<u><u>\$ (1,514)</u></u>	<u><u>\$ 65</u></u>	<u><u>\$ 335</u></u>	<u><u>\$ (1,114)</u></u>
Basic and diluted (loss) earnings per share:				
Net loss available to News Corporation stockholders per share	<u><u>\$ (2.60)</u></u>			<u><u>\$ (1.92)</u></u>

Pro Forma (unaudited)
For the fiscal year ended June 30, 2017

	News Corp Historical^(a)	Foxtel Historical^(b)	Transaction Adjustments	Pro Forma
(in millions, except per share amounts)				
Revenues:				
Advertising	\$ 2,860	\$ 196	\$ —	\$ 3,056
Circulation and subscription	2,470	2,156	(359) ^{(c)(d)}	4,267
Consumer	1,573	—	—	1,573
Real estate	696	—	—	696
Other	540	59	—	599
Total Revenues	8,139	2,411	(359)	10,191
Operating expenses	(4,529)	(1,382)	367 ^{(c)(e)}	(5,544)
Selling, general and administrative	(2,725)	(461)	—	(3,186)
Depreciation and amortization	(449)	(215)	(47) ^{(g)(h)(i)}	(711)
Impairment and restructuring charges	(927)	(63)	(227) ^(j)	(1,217)
Equity losses of affiliates	(295)	(52)	265 ⁽ⁱ⁾	(82)
Interest, net	39	(161)	—	(122)
Other, net	132	—	—	132
(Loss) income before income tax expense	(615)	77	(1)	(539)
Income tax expense	(28)	(18)	15 ^(l)	(31)
Net (loss) income	(643)	59	14	(570)
Less: Net (loss) income attributable to noncontrolling interests	(95)	1	(31) ^(m)	(125)
Net (loss) income attributable to News Corporation	\$ (738)	\$ 60	\$ (17)	\$ (695)
Basic and diluted (loss) earnings per share:				
Net loss available to News Corporation stockholders per share	\$ (1.27)			\$ (1.20)

Notes to the unaudited proforma statements:

- (a) Reflects the historical results of operations of News Corporation. As the acquisition of a controlling interest in Foxtel was completed on April 3, 2018, Foxtel is reflected in our historical Statement of Operations from April 3, 2018 onwards.
- (b) Reflects the historical results of operations of Foxtel to the date of the Transaction. From April 3, 2018 onwards, Foxtel is included in the historical results of operations of News Corporation. The Statements of Operations of Foxtel are derived from its historical financial statements for the nine months ended March 31, 2018 and the fiscal year ended June 30, 2017. These Statements of Operations for the nine months ended March 31, 2018 and the fiscal year ended June 30, 2017 reflect Foxtel's Statements of Operations on a U.S. GAAP basis and translated from Australian dollars to U.S. dollars, the reporting currency of the combined group, using the quarterly average rates for each period presented. Additionally, certain balances within Foxtel's historical financial information were reclassified to be consistent with the Company's presentation.
- (c) Represents the impact of eliminating transactions between Foxtel and the consolidated subsidiaries of News Corporation, which would be eliminated upon consolidation as a result of the Transaction.
- (d) Reflects the reversal of revenue recognized in Foxtel's historical Statements of Operations resulting from the fair value adjustment of Foxtel's historical deferred installation revenue in the preliminary purchase price allocation for the Transaction.
- (e) Reflects the adjustment to amortization of program inventory recognized in Foxtel's historical Statements of Operations related to the fair value adjustment of Foxtel's historical program inventory in the preliminary purchase price allocation.

- (f) Reflects the removal of transaction expenses directly related to the Transaction that are included in News Corp's historical Statements of Operations for the fiscal year ended June 30, 2018. These costs are considered to be non-recurring in nature, and as such, have been excluded from the pro forma Statement of Operations.
- (g) Reflects the adjustment to amortization expense resulting from the recognition of amortizable intangible assets in the preliminary purchase price allocation.
- (h) Reflects the adjustment to depreciation and amortization expense resulting from the fair value adjustment to Foxtel's historical fixed assets in the preliminary purchase price allocation, which resulted in a step-up in the value of such assets.
- (i) Reflects the reversal of amortization expense included in News Corp's historical Statements of Operations from the Company's settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia, which resulted in a write-off of its channel distribution agreement intangible asset at the time of the Transaction.
- (j) Represents the impact to equity losses of affiliates as a result of the Transaction, as if the Transaction occurred on July 1, 2016. Historically News Corp accounted for its investment in Foxtel under the equity method of accounting. As a result of the Transaction, Foxtel became a majority-owned subsidiary of the Company, and therefore, the impact of Foxtel on the Company's historical equity losses of affiliates was eliminated. In addition, News Corp previously recorded certain impairments to its investment in Foxtel within equity losses of affiliates which are reflected in News Corp's historical results. As these impairments are not directly attributable to the Transaction, such amounts have not been eliminated and have been reclassified in the pro forma Statement of Operations from equity losses of affiliates into impairment and restructuring charges.
- (k) Represents the write-off recorded as a result of the effective settlement of the channel distribution agreement between FOX SPORTS Australia and Foxtel as a result of the Transaction as well as other costs directly attributable to the Transaction. The write-off of the intangible asset related to this agreement and other associated costs are considered transaction costs directly attributable to the Transaction that were incurred in the fiscal year ended June 30, 2018.
- (l) In determining the tax rate to apply to our pro forma adjustments we used the Australian statutory rate of 30%, which is the jurisdiction in which the business operates. However, in certain instances, the effective tax rate applied to adjustments differs from the statutory rate primarily as a result of certain valuation allowances on deferred tax assets, based on the Company's historical tax profile in Australia.
- (m) Represents the adjustment, as a result of the Transaction, to reflect the noncontrolling interest of the combined company on a pro forma basis.

The following table sets forth the Company's unaudited pro forma operating results for fiscal 2018 and 2017.

	Pro Forma (unaudited) For the fiscal year ended June 30,			
	2018	2017	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues:				
Advertising	\$ 2,940	\$ 3,056	\$(116)	(4)%
Circulation and subscription	4,381	4,267	114	3%
Consumer	1,664	1,573	91	6%
Real estate	858	696	162	23%
Other	721	599	122	20%
Total Revenues	10,564	10,191	373	4%
Operating expenses	(5,748)	(5,544)	(204)	(4)%
Selling, general and administrative	(3,372)	(3,186)	(186)	(6)%
Depreciation and amortization	(676)	(711)	35	5%
Impairment and restructuring charges	(1,313)	(1,217)	(96)	(8)%
Equity losses of affiliates	(27)	(82)	55	67%
Interest, net	(83)	(122)	39	32%
Other, net	10	132	(122)	(92)%
Loss before income tax expense	(645)	(539)	(106)	(20)%
Income tax expense	(373)	(31)	(342)	**
Net loss	(1,018)	(570)	(448)	(79)%
Less: Net income attributable to noncontrolling interests	(96)	(125)	29	23%
Net loss attributable to News Corporation	\$ (1,114)	\$ (695)	\$(419)	(60)%

** not meaningful

Revenues (pro forma)—Revenues increased \$373 million, or 4%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The Revenue increase was primarily attributable to higher revenues of \$203 million at the Digital Real Estate Services segment, mainly due to increased revenues at both REA Group and Move, and \$122 million at the Book Publishing segment as a result of strong frontlist and backlist sales in the general books category and \$28 million from the sublicensing agreement for J.R.R. Tolkien's *The Lord of the Rings* trilogy. News and Information Services segment revenues increased \$50 million primarily due to higher circulation and subscription revenues of \$105 million primarily due to cover price and subscription price increases, the positive impact of foreign currency fluctuations and digital subscriber growth, partially offset by lower advertising revenues of \$76 million primarily due to weakness in the print advertising market across mastheads and lower revenues at News America Marketing of \$75 million. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue increase of \$244 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

Operating expenses (pro forma)—Operating expenses increased \$204 million, or 4%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The increase in Operating expenses for the fiscal year ended June 30, 2018 was mainly due to higher operating expenses at the Subscription Video Services segment of \$143 million primarily resulting from higher sports programming rights costs and the negative impact of foreign currency fluctuations. The Book Publishing segment also contributed \$54 million to the increase primarily due to higher costs associated with higher revenues and the impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in an Operating expense increase of \$123 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

Selling, general and administrative expenses (pro forma)—Selling, general and administrative expenses increased \$186 million, or 6%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The increase in Selling, general and administrative expenses was primarily due to higher expenses of \$108 million at the

Digital Real Estate Services segment primarily due to higher costs associated with higher revenues, the acquisition of Smartline and increased marketing costs at Move. The increase was also attributable to higher expenses of \$81 million at the News and Information Services segment primarily related to higher compensation and marketing costs, the \$55 million increase from foreign currency fluctuations, as well as the absence of a \$12 million adjustment to reduce the deferred consideration accrual related to the acquisition of Unruly which did not recur in the current year period. These increases were partially offset by the \$46 million impact from the reversal of a portion of the previously accrued liability for the U.K. Newspaper Matters and the corresponding receivable from 21st Century Fox as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes in the first quarter of fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense increase of \$89 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

Depreciation and amortization (pro forma)—Depreciation and amortization expense decreased \$35 million, or 5%, for the fiscal year ended June 30, 2018 as compared to fiscal 2017, primarily due to lower depreciation expense of \$60 million at the News and Information Services segment, primarily due to the write-down of fixed assets at the U.K. and Australian newspapers during fiscal 2017. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a depreciation and amortization expense increase of \$79 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017.

Impairment and restructuring charges (pro forma)—During the fiscal years ended June 30, 2018 and 2017, the Company recorded restructuring charges of \$76 million and \$151 million, respectively, primarily related to employee termination benefits in the News and Information Services segment.

During the fiscal year ended June 30, 2018, the Company recognized non-cash impairment charges of \$1,237 million primarily related to the \$957 million non-cash write-down of the carrying value of its investment in Foxtel and \$280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit.

During the fiscal year ended June 30, 2017, the Company recognized total non-cash impairment charges of \$1,066 million primarily at News UK and News Corp Australia. The charges consisted of a write-down of the Company's fixed assets of \$679 million, a write-down of intangible assets of \$58 million and a write-down of goodwill of \$48 million. The Company also recognized a \$227 million non-cash write-down of the carrying value of its investment in Foxtel and \$53 million related to Foxtel Management's decision to cease Presto operations in fiscal 2017.

See Note 5—Restructuring Programs, See Note 6—Investments, Note 7—Property, Plant and Equipment and Note 8—Goodwill and Other Intangible Assets in the accompanying Consolidated Financial Statements.

Equity losses of affiliates (pro forma)—Equity losses of affiliates improved \$55 million to (\$27) million for the fiscal year ended June 30, 2018 from (\$82) million in fiscal 2017. The decrease in losses for the fiscal year ended June 30, 2018 was primarily due to the absence of losses from the Company's interest in Ten Network Holdings ("Ten").

Included within Losses of affiliates in fiscal 2017 was a \$58 million write-down of Foxtel's investment in Ten. During the first quarter of fiscal 2017, Foxtel was deemed to have significant influence over its investment in Ten. As a result, Foxtel was required to treat its investment in Ten as an equity investment. Foxtel elected the fair value option under ASC 825, "Financial Instruments" ("ASC 825") and adjusted the carrying value of the Ten investment to fair value each reporting period. Although Foxtel ceased to have significant influence in Ten during the third quarter of fiscal 2017, it continued to adjust the carrying value of the Ten investment to fair value each reporting period due to its election of the fair value option under ASC 825.

During the fiscal years ended June 30, 2018 and 2017, the Company recognized non-cash impairments of \$13 million and \$9 million on certain other equity method investments, respectively. The impairments are reflected in Equity losses of affiliates in the Statement of Operations for the fiscal years ended June 30, 2018 and 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

Interest, net (pro forma)—Interest, net decreased \$39 million, or 32%, for the fiscal year ended June 30, 2018, as compared to fiscal 2017, primarily due to lower interest expense from the repayment of the Foxtel shareholder note in the first quarter of fiscal 2018, partially offset by the absence of an adjustment of the deferred consideration related to REA Group’s acquisition of iProperty recognized in the second quarter of fiscal 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

Other, net (pro forma)—Other, net decreased \$122 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017, primarily related to the absence of the \$107 million gain recognized in the prior fiscal year related to REA Group’s sale of its European business.

Income tax (expense) benefit (pro forma)—The Company’s income tax expense and effective tax rate for the fiscal year ended June 30, 2018 were \$373 million and (58%), respectively, as compared to an income tax expense and effective tax rate of \$31 million and (6%), respectively, for fiscal 2017.

For the fiscal year ended June 30, 2018 the Company recorded a tax expense of \$373 million on pre-tax loss of \$645 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to \$340 million of lower tax benefits on impairments and write-downs of approximately \$1.3 billion and a tax expense of \$237 million related to the impact of the Tax Act, offset by a tax benefit of approximately \$49 million related to the settlement of pre-Separation tax matters with the Internal Revenue Service.

For the fiscal year ended June 30, 2017 the Company recorded a tax expense of \$31 million on pre-tax loss of \$539 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to \$139 million of lower tax benefits on impairments and write-downs in foreign jurisdictions of approximately \$1 billion, a tax expense of approximately \$63 million related to the settlement of a foreign tax audit and \$40 million related to the recording of a valuation allowance against foreign net operating losses, offset by lower taxes on the sale of certain business assets.

Net loss (pro forma)—Net loss increased \$448 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017 primarily due to the tax impacts discussed above and lower Other, net primarily due to the absence of the gain recognized on the sale of REA Group’s European business.

Net income attributable to noncontrolling interests (pro forma)—Net income attributable to noncontrolling interests decreased by \$29 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017, primarily due to the absence of the gain recognized on the sale of REA Group’s European business.

Segment Analysis (pro forma)

The following table reconciles Pro Forma Net loss to Pro Forma Total Segment EBITDA for the fiscal years ended June 30, 2018 and 2017:

	Pro Forma For the fiscal years ended June 30,	
	2018	2017
(in millions, except %)		
Pro forma net loss	\$(1,018)	\$ (570)
Add:		
Income tax expense	373	31
Other, net	(10)	(132)
Interest, net	83	122
Equity losses of affiliates	27	82
Impairment and restructuring charges	1,313	1,217
Depreciation and amortization	676	711
Pro forma Total Segment EBITDA	<u>\$ 1,444</u>	<u>\$1,461</u>

	Pro Forma For the fiscal years ended June 30,			
	2018		2017	
	Revenues	Segment EBITDA	Revenues	Segment EBITDA
(in millions)				
News and Information Services	\$ 5,119	\$ 392	\$ 5,069	\$ 414
Book Publishing	1,758	244	1,636	199
Digital Real Estate Services	1,141	401	938	324
Subscription Video Services	2,544	545	2,546	699
Other	2	(138)	2	(175)
Total	<u>\$10,564</u>	<u>\$1,444</u>	<u>\$10,191</u>	<u>\$1,461</u>

Subscription Video Services (pro forma) (24% and 25% of the Company's consolidated revenues in fiscal 2018 and 2017, respectively)

	Pro Forma For the fiscal years ended June 30,			
	2018	2017	Change	% Change
	Better/(Worse)			
(in millions, except %)				
Revenues:				
Advertising	\$ 268	\$ 282	\$ (14)	(5)%
Circulation and subscription	2,210	2,199	11	1%
Other	66	65	1	2%
Total Revenues	2,544	2,546	(2)	**
Operating expenses	(1,499)	(1,356)	(143)	(11)%
Selling, general and administrative	(500)	(491)	(9)	(2)%
Segment EBITDA	\$ 545	\$ 699	\$(154)	(22)%

** not meaningful

For the fiscal year ended June 30, 2018, revenues at the Subscription Video Services segment decreased \$2 million as compared to fiscal 2017. The revenue decrease was primarily due to lower advertising revenues,

as lower subscription revenues resulting from subscriber mix were more than offset by the \$82 million positive impact of foreign currency fluctuations.

For the fiscal year ended June 30, 2018, Segment EBITDA at the Subscription Video Services segment decreased \$154 million, or 22%, as compared to fiscal 2017. The decrease in Segment EBITDA was primarily due to the lower revenues discussed above and higher sports programming costs, primarily for the National Rugby League and Australian Football League and third party transition costs of \$10 million.

Results of Operations—Fiscal 2017 versus Fiscal 2016

The following table sets forth the Company's operating results for fiscal 2017 as compared to fiscal 2016.

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
	Better/(Worse)			
(in millions, except %)				
Revenues:				
Advertising	\$ 2,860	\$ 3,025	\$(165)	(5)%
Circulation and Subscription	2,470	2,569	(99)	(4)%
Consumer	1,573	1,578	(5)	**
Real estate	696	619	77	12%
Other	540	501	39	8%
Total Revenues	8,139	8,292	(153)	(2)%
Operating expenses	(4,529)	(4,728)	199	4%
Selling, general and administrative	(2,725)	(2,722)	(3)	**
NAM Group and Zillow settlements, net	—	(158)	158	**
Depreciation and amortization	(449)	(505)	56	11%
Impairment and restructuring charges	(927)	(89)	(838)	**
Equity (losses) earnings of affiliates	(295)	30	(325)	**
Interest, net	39	43	(4)	(9)%
Other, net	132	18	114	**
(Loss) income from continuing operations before income tax (expense) benefit	(615)	181	(796)	**
Income tax (expense) benefit	(28)	54	(82)	**
(Loss) income from continuing operations	(643)	235	(878)	**
Income (loss) from discontinued operations, net of tax	—	15	(15)	**
Net (loss) income	(643)	250	(893)	**
Less: Net income attributable to noncontrolling interests	(95)	(71)	(24)	(34)%
Net (loss) income attributable to News Corporation	\$ (738)	\$ 179	\$(917)	**

** not meaningful

Revenues—Revenues decreased \$153 million, or 2%, for the fiscal year ended June 30, 2017 as compared to fiscal 2016. The Revenue decrease was mainly due to a decrease in revenues at the News and Information Services segment of \$269 million, primarily resulting from weakness in the print advertising market across mastheads, the \$143 million negative impact of foreign currency fluctuations and the \$77 million impact from the absence of the 53rd week in fiscal 2017. The revenue decrease was partially offset by the acquisitions of Wireless Group and ARM which contributed \$74 million and \$61 million in revenues, respectively. The decrease in the News and Information Services segment was partially offset by increased revenues at the Digital Real Estate Services segment of \$116 million, primarily as a result of higher revenues at both REA Group and Move.

The impact of foreign currency fluctuations of the U.S. dollar against local currencies and the absence of the 53rd week in fiscal 2017 resulted in revenue decreases of \$147 million and \$112 million, respectively, for the fiscal

year ended June 30, 2017 as compared to fiscal 2016. The Company calculates the impact of foreign currency fluctuations for businesses reporting in currencies other than the U.S. dollar by multiplying the results for each quarter in the current period by the difference between the average exchange rate for that quarter and the average exchange rate in effect during the corresponding quarter of the prior year and totaling the impact for all quarters in the current period.

Operating Expenses—Operating expenses decreased \$199 million, or 4%, for the fiscal year ended June 30, 2017 as compared to fiscal 2016. The decrease in Operating expenses for the fiscal year ended June 30, 2017 was mainly due to a decrease in operating expenses at the News and Information Services segment of \$199 million, primarily as a result of the impact of cost savings initiatives and lower newsprint, production, and distribution costs and a \$74 million positive impact from foreign currency fluctuations, partially offset by higher costs of \$75 million associated with the acquisitions of ARM and Wireless Group. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in an Operating expense decrease of \$59 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

Selling, general and administrative expenses—Selling, general and administrative expenses increased \$3 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016. The increase in Selling, general and administrative expenses was primarily due to higher expenses at the News and Information Services segment of \$10 million, mainly due to \$56 million in higher costs associated with the acquisitions of Wireless Group and ARM, and \$19 million in higher costs at News America Marketing, primarily due to a \$12 million increase in investment spending at Checkout 51, partially offset by the \$63 million positive impact of foreign currency fluctuations. The increase was also attributable to a one-time corporate charge of \$11 million associated with a change in the Company's executive management in February 2017. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense decrease of \$87 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

NAM Group and Zillow settlements, net—During the fiscal year ended June 30, 2016, the Company recognized one-time costs of approximately \$280 million in connection with the settlement of certain litigation and related claims at News America Marketing and a one-time gain of \$122 million in connection with the settlement of litigation with Zillow, Inc. ("Zillow"). The gain reflects settlement proceeds received from Zillow of \$130 million, less \$8 million paid to the National Association of Realtors® ("NAR"). See Note 16—Commitments and Contingencies in the accompanying Consolidated Financial Statements.

Depreciation and amortization—Depreciation and amortization expense decreased \$56 million, or 11%, for the fiscal year ended June 30, 2017 as compared to fiscal 2016, primarily due to the write-down of fixed assets at the Australian newspapers in the second quarter of fiscal 2017 and the positive impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a depreciation and amortization expense decrease of \$9 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

Impairment and restructuring charges—During the fiscal year ended June 30, 2017 and 2016, the Company recorded restructuring charges of \$142 million and \$89 million, respectively.

During the fiscal year ended June 30, 2017, the Company recognized total impairment charges of \$785 million, primarily at News UK and News Corp Australia. The total charges consisted of a write-down of the Company's fixed assets of \$679 million, a write-down of intangible assets of \$58 million and a write-down of goodwill of \$48 million.

See Note 5—Restructuring Programs, Note 7—Property, Plant and Equipment and Note 8—Goodwill and Other Intangible Assets in the accompanying Consolidated Financial Statements.

Equity (losses) earnings of affiliates—Equity (losses) earnings of affiliates decreased \$325 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016, primarily as a result of the \$227 million non-cash

write-down of the carrying value of the Company’s investment in Foxtel to fair value and lower net income at Foxtel. See Note 6—Investments in the accompanying Consolidated Financial Statements.

	<u>For the fiscal years ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(in millions, except %)			<u>Better/(Worse)</u>	
Foxtel ^(a)	\$(265)	\$38	\$(303)	**
Other equity affiliates ^(b)	(30)	(8)	(22)	**
Total Equity (losses) earnings of affiliates	<u>\$(295)</u>	<u>\$30</u>	<u>\$(325)</u>	<u>**</u>

** not meaningful

(a) During the second quarter of fiscal 2017, the Company recognized a \$227 million non-cash write-down of the carrying value of its investment in Foxtel to fair value. The write-down is reflected in Equity (losses) earnings of affiliates in the Statements of Operations for the fiscal year ended June 30, 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

In accordance with Accounting Standards Codification (“ASC”) 350, “Intangibles—Goodwill and Other” (“ASC 350”), the Company amortized \$68 million and \$52 million related to excess cost over the Company’s proportionate share of its investment’s underlying net assets allocated to finite-lived intangible assets during the fiscal years ended June 30, 2017 and 2016, respectively. Such amortization is reflected in Equity (losses) earnings of affiliates in the Statements of Operations. See Note 6—Investments in the accompanying Consolidated Financial Statements. The increase in amortization expense recognized by the Company in fiscal 2017 resulted from a corresponding decrease in amortization expense recognized by Foxtel as certain intangible assets were fully amortized in fiscal 2016.

For the fiscal year ended June 30, 2017, Foxtel revenues increased \$32 million, or 1%, as a result of the positive impact of foreign currency fluctuations, as revenues decreased 2% in local currency due to lower subscribers. Operating income decreased \$20 million, primarily due to planned increases in programming spend and the lower revenues noted above, partially offset by lower depreciation costs and the positive impact of foreign currency fluctuations. Net income decreased \$121 million, mainly due to \$58 million in losses associated with the change in the fair value of Foxtel’s investment in Ten Network Holdings (“Ten”) and losses of \$53 million associated with Presto, primarily resulting from Foxtel management’s decision to cease Presto operations in January 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

During the first quarter of fiscal 2017, Foxtel was deemed to have significant influence over its investment in Ten. As a result, Foxtel was required to treat its investment in Ten as an equity method investment. Foxtel elected the fair value option under ASC 825, “Financial Instruments” (“ASC 825”) and adjusts the carrying value of the Ten investment to fair value each reporting period. Although Foxtel ceased to have significant influence in Ten during the third quarter of fiscal 2017, it will continue to adjust the carrying value of the Ten investment to fair value each reporting period due to its election of the fair value option under ASC 825. This adjustment will be recorded as a component of Foxtel’s net income.

(b) Other equity affiliates, net for the fiscal year ended June 30, 2017 includes losses primarily from the Company’s interest in Elara. Additionally, during the fourth quarter of fiscal 2017, the Company recognized impairments of \$9 million on certain other equity method investments. The impairments are reflected in Equity (losses) earnings of affiliates in the Statement of Operations for the fiscal year ended June 30, 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

Interest, net—Interest, net for the fiscal year ended June 30, 2017 decreased \$4 million, or 9%, as compared to fiscal 2016, primarily due to higher interest expense associated with the REA Facility. See Note 9—Borrowings in the accompanying Consolidated Financial Statements.

Other, net—Other, net increased \$114 million for the fiscal year ended 2017 as compared to the fiscal year ended June 30, 2016. See Note 21—Additional Financial Information in the accompanying Consolidated Financial Statements.

Income tax (expense) benefit—The Company's income tax expense and effective tax rate for the fiscal year ended June 30, 2017 were \$28 million and (5%), respectively, as compared to an income tax benefit and effective tax rate of \$54 million and (30%), respectively, for fiscal 2016.

For the fiscal year ended June 30, 2017 the Company recorded a tax expense of \$28 million on pre-tax loss of \$615 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to \$139 million of lower tax benefits on impairments and write-downs in foreign jurisdictions of approximately \$1 billion, a tax expense of approximately \$63 million related to the settlement of a foreign tax audit and \$40 million related to the recording of valuation allowance against foreign net operating losses, offset by lower taxes on the sale of certain business assets.

For the fiscal year ended June 30, 2016, the Company recorded a tax benefit of \$54 million on pre-tax income of \$181 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to a tax benefit of approximately \$106 million related to the release of previously established valuation allowances related to certain U.S. federal net operating losses and state deferred tax assets. This benefit was recognized in conjunction with management's plan to dispose of the Company's digital education business in the first quarter of fiscal 2016, as the Company now expects to generate sufficient U.S. taxable income to utilize these deferred tax assets prior to expiration. In addition, the effective tax rate was also impacted by the \$29 million non-taxable gain resulting from the revaluation of REA Group's previously held equity interest in iProperty. See Note 19—Income Taxes in the accompanying Consolidated Financial Statements.

Income (loss) from discontinued operations, net of tax—For the fiscal year ended June 30, 2017, the Company did not recognize any income from discontinued operations as the operations of the digital education business were discontinued during fiscal 2016.

For the fiscal year ended June 30, 2016, the Company recorded income from discontinued operations, net of tax, of \$15 million. The income recognized in fiscal 2016 was primarily due to the impact of a \$144 million tax benefit recognized upon reclassification of the Digital Education segment to discontinued operations, a tax benefit of \$30 million related to the operations for the period and lower operating losses as a result of the sale of Amplify Insight and Amplify Learning, which more than offset the pre-tax non-cash impairment charge recognized in the first quarter of fiscal 2016 of \$76 million and \$17 million in severance and lease termination charges recognized in the second quarter of fiscal 2016. See Note 4—Discontinued Operations in the accompanying Consolidated Financial Statements.

Net (loss) income—Net (loss) income decreased \$893 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016 primarily due to non-cash impairment charges of approximately \$785 million, mainly related to the write-down of fixed assets at the U.K. and Australian newspapers, higher equity losses of affiliates, primarily due to the \$227 million non-cash write-down of the carrying value of the Company's investment in Foxtel to fair value, the absence of the one-time gain of \$122 million in connection with the settlement of litigation with Zillow, and the tax benefit related to the release of valuation allowances and income from discontinued operations recognized in fiscal 2016 which did not recur in fiscal 2017, partially offset by the absence of the \$280 million NAM Group settlement charge in the prior year and higher Other, net.

Net income attributable to noncontrolling interests—Net income attributable to noncontrolling interests increased by \$24 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016, due to the gain on the sale of REA Group's European business.

Segment Analysis

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses and excluding impact from the NAM Group and Zillow legal settlements. Segment EBITDA does not include: depreciation and amortization, impairment and restructuring charges, equity (losses) earnings of affiliates, interest, net, other, net, income tax (expense) benefit and net income attributable to noncontrolling interests. Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

Segment EBITDA is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment EBITDA is a non-GAAP measure and should be considered in addition to, not as a substitute for, net (loss) income, cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment and restructuring charges, which are significant components in assessing the Company's financial performance. The Company believes that the presentation of Total Segment EBITDA provides useful information regarding the Company's operations and other factors that affect the Company's reported results. Specifically, the Company believes that by excluding certain one-time or non-cash items such as impairment and restructuring charges and depreciation and amortization, as well as potential distortions between periods caused by factors such as financing and capital structures and changes in tax positions or regimes, the Company provides users of its consolidated financial statements with insight into both its core operations as well as the factors that affect reported results between periods but which the Company believes are not representative of its core business. As a result, users of the Company's consolidated financial statements are better able to evaluate changes in the core operating results of the Company across different periods. The following table reconciles Net loss to Total Segment EBITDA for the fiscal years ended June 30, 2017 and 2016:

	For the fiscal years ended	
	June 30,	
	2017	2016
(in millions)		
Net (loss) income	\$(643)	\$235
Add:		
Income tax expense	28	(54)
Other, net	(132)	(18)
Interest, net	(39)	(43)
Equity losses of affiliates	295	(30)
Impairment and restructuring charges	927	89
Depreciation and amortization	449	505
Total Segment EBITDA	<u>\$ 885</u>	<u>\$684</u>

	For the fiscal years ended June 30,			
	2017		2016	
	Revenues	Segment EBITDA	Revenues	Segment EBITDA
	(in millions)			
News and Information Services	\$5,069	\$ 414	\$5,338	\$ 214
Book Publishing	1,636	199	1,646	185
Digital Real Estate Services	938	324	822	344
Subscription Video Services	494	123	484	124
Other	2	(175)	2	(183)
Total	\$8,139	\$ 885	\$8,292	\$ 684

News and Information Services (62% and 64% of the Company's consolidated revenues in fiscal 2017 and 2016, respectively)

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
	Better/(Worse)			
(in millions, except %)				
Revenues:				
Advertising	\$ 2,608	\$ 2,810	\$(202)	(7)%
Circulation and subscription	2,010	2,107	(97)	(5)%
Other	451	421	30	7%
Total Revenues	5,069	5,338	(269)	(5)%
Operating expenses	(2,943)	(3,142)	199	6%
Selling, general and administrative	(1,712)	(1,702)	(10)	(1)%
NAM Group settlement	—	(280)	280	**
Segment EBITDA	\$ 414	\$ 214	\$ 200	93%

**—not meaningful

For the fiscal year ended June 30, 2017, revenues at the News and Information Services segment decreased \$269 million, or 5%, as compared to fiscal 2016. The revenue decrease was mainly due to lower advertising revenues of \$202 million as compared to fiscal 2016, primarily resulting from weakness in the print advertising market across mastheads, the \$33 million impact from the absence of the 53rd week in fiscal 2017, the \$28 million negative impact from foreign currency fluctuations and lower advertising revenues of \$16 million from the *Perth Sunday Times* which was sold in November 2016. These decreases were partially offset by the acquisitions of Wireless Group and ARM, which contributed \$63 million and \$42 million of advertising revenues, respectively. Circulation and subscription revenues for the fiscal year ended June 30, 2017 decreased \$97 million as compared to fiscal 2016, primarily due to the \$88 million negative impact of foreign currency fluctuations and the \$39 million impact from the absence of the 53rd week in fiscal 2017, which more than offset higher circulation and subscription revenues at Dow Jones. Other revenues for the fiscal year ended June 30, 2017 increased \$30 million as compared to fiscal 2016, primarily due to higher brand partnership revenues in the U.K. of \$14 million, higher third-party printing revenues in Australia of \$10 million and the acquisitions of Wireless Group and Unruly, which contributed \$11 million and \$8 million, respectively, to the increase. These increases were partially offset by the \$27 million negative impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies and the absence of the 53rd week in fiscal 2017 resulted in revenue decreases of \$143 million and \$77 million, respectively, for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

For the fiscal year ended June 30, 2017, Segment EBITDA at the News and Information Services segment increased \$200 million, or 93%, as compared to fiscal 2016. The increase was primarily due to the absence of the \$280 million NAM Group settlement charge in the prior year and the \$12 million impact of an adjustment to the deferred consideration accrual related to the acquisition of Unruly. These factors were partially offset by lower

contributions from News Corp Australia, News UK and Dow Jones of \$44 million, \$36 million and \$22 million, respectively, primarily due to the impact of lower advertising revenues as discussed above, partially offset by the impact of cost savings initiatives and lower newsprint, production, editorial and distribution costs.

News Corp Australia

Revenues at the Australian newspapers were \$1,271 million for the fiscal year ended June 30, 2017, a decrease of \$21 million, or 2%, compared to fiscal 2016 revenues of \$1,292 million. The impact of foreign currency fluctuations of the U.S. dollar against local currencies and the absence of the 53rd week in fiscal 2017 resulted in a revenue increase of \$43 million, or 3%, and a revenue decrease of \$21 million, or 2%, respectively, for the fiscal year ended June 30, 2017 as compared to fiscal 2016. Advertising revenues decreased \$46 million, primarily as a result of the \$94 million impact of weakness in the print advertising market, lower advertising revenues of \$16 million from the *Perth Sunday Times*, which was sold in November 2016, and the \$14 million impact from the absence of the 53rd week in fiscal 2017. These decreases were partially offset by the acquisition of ARM, which contributed \$42 million to advertising revenues, and the \$25 million positive impact of foreign currency fluctuations. Circulation and subscription revenues increased \$7 million due to the \$14 million positive impact of foreign currency fluctuations and \$13 million from the acquisition of ARM, partially offset by lower circulation and subscription revenues of \$10 million primarily from the *Perth Sunday Times* and the \$7 million impact from the absence of the 53rd week in fiscal 2017, as price increases and digital subscriber growth were offset by print volume declines. Other revenues increased \$18 million primarily due to higher third-party printing revenues.

News UK

Revenues were \$1,037 million for the fiscal year ended June 30, 2017, a decrease of \$244 million, or 19%, as compared to fiscal 2016 revenues of \$1,281 million. Advertising revenues decreased \$114 million, primarily due to the \$52 million negative impact of foreign currency fluctuations and the \$51 million impact from weakness in the print advertising. Circulation and subscription revenues decreased \$111 million, primarily due to the \$96 million negative impact of foreign currency fluctuations and the \$13 million impact from the absence of the 53rd week in fiscal 2017, as the \$33 million impact of single-copy volume declines, primarily at *The Sun*, was offset by the \$32 million impact of cover price increases across *The Sun* and *The Times*. Other revenues decreased \$19 million due to the \$29 million negative impact of foreign currency fluctuations, which more than offset higher brand partnership revenues. The impact of foreign currency fluctuations of the U.S. dollar against local currencies and the absence of the 53rd week in fiscal 2017 resulted in revenue decreases of \$177 million and \$21 million, respectively, for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

Dow Jones

Revenues were \$1,479 million for the fiscal year ended June 30, 2017, a decrease of \$91 million, or 6%, as compared to fiscal 2016 revenues of \$1,570 million. Advertising revenues decreased \$103 million, primarily due to the \$95 million impact of weakness in the print advertising market. Circulation and subscription revenues increased \$9 million, primarily due to the \$38 million impact of price increases and volume growth at *The Wall Street Journal*, partially offset by the \$19 million impact from the absence of the 53rd week in fiscal 2017 and the \$6 million negative impact of foreign currency fluctuations, as professional information business revenues were relatively flat compared to fiscal 2016. The absence of the 53rd week in fiscal 2017 and the impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in revenue decreases of \$26 million and \$6 million, respectively, for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

News America Marketing

Revenues at News America Marketing were \$1,021 million for the fiscal year ended June 30, 2017, an increase of \$9 million, or 1%, as compared to fiscal 2016 revenues of \$1,012 million. The increase was primarily due to

higher other revenues of \$9 million related to certain merchandising products. Advertising revenues were flat, as higher domestic in-store product revenues of \$42 million and certain other increases were offset by lower home delivered revenues, which include free-standing insert products, of \$51 million.

Book Publishing (20% of the Company's consolidated revenues in fiscal 2017 and 2016)

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
(in millions, except %)	Better/(Worse)			
Revenues:				
Consumer	\$ 1,573	\$ 1,578	\$ (5)	**
Other	63	68	(5)	(7)%
Total Revenues	1,636	1,646	(10)	(1)%
Operating expenses	(1,124)	(1,145)	21	2%
Selling, general and administrative	(313)	(316)	3	1%
Segment EBITDA	\$ 199	\$ 185	\$ 14	8%

**—not meaningful

For the fiscal year ended June 30, 2017, revenues at the Book Publishing segment decreased \$10 million, or 1%, as compared to fiscal 2016. The decrease was mainly due to the absence of \$42 million in sales of *Go Set a Watchman* by Harper Lee, the \$34 million negative impact of foreign currency fluctuations and the \$19 million impact from the absence of the 53rd week in fiscal 2017. These decreases were partially offset by strong frontlist and backlist sales in the general books category, which increased \$43 million, including *Hillbilly Elegy* by J.D. Vance, and in the Christian publishing category, which increased \$24 million, including *The Magnolia Story* by Chip and Joanna Gaines and *Jesus Calling* and *Jesus Always* by Sarah Young, as well as the \$25 million impact of the continued expansion of HarperCollins' global footprint. Digital sales represented 19% of Consumer revenues during the fiscal year ended June 30, 2017 and were flat as compared to fiscal 2016.

For the fiscal year ended June 30, 2017, Segment EBITDA at the Book Publishing segment increased \$14 million, or 8%, as compared to fiscal 2016. The increase was primarily due to the mix of titles as compared to the prior year.

Digital Real Estate Services (12% and 10% of the Company's consolidated revenues in fiscal 2017 and 2016, respectively)

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
(in millions, except %)	Better/(Worse)			
Revenues				
Advertising	\$ 165	\$ 133	\$ 32	24%
Circulation and Subscription	58	64	(6)	(9)%
Real estate	696	619	77	12%
Other	19	6	13	**
Total Revenues	938	822	116	14%
Operating expenses	(120)	(102)	(18)	(18)%
Selling, general and administrative	(494)	(498)	4	1%
Zillow settlement	—	122	(122)	**
Segment EBITDA	\$ 324	\$ 344	\$ (20)	(6)%

**—not meaningful

For the fiscal year ended June 30, 2017, revenues at the Digital Real Estate Services segment increased \$116 million, or 14%, as compared to fiscal 2016. At REA Group, revenues increased \$66 million, or 14%, to

\$525 million in fiscal 2017 from \$459 million in fiscal 2016, primarily due to a \$45 million increase in Australian residential depth revenue and the \$18 million positive impact of foreign currency fluctuations, partially offset by an \$18 million decrease resulting from the sale of REA Group's European business in December 2016. Revenues at Move increased \$37 million, or 10%, to \$394 million in fiscal 2017 from \$357 million in fiscal 2016, primarily due to a \$38 million increase in ConnectionsSM for Buyers product revenues and a \$12 million increase in non-listing media revenues, partially offset by the \$12 million impact of lower revenues from TigerLead[®], which was sold in November 2016. The acquisition of DIAKRIT also contributed \$13 million to the revenue increase for the fiscal year ended June 30, 2017.

For the fiscal year ended June 30, 2017, Segment EBITDA at the Digital Real Estate Services segment decreased \$20 million, or 6%, as compared to fiscal 2016. The decrease in Segment EBITDA was the result of the \$63 million lower contribution from Move, primarily due to the absence of the \$122 million gain recognized in connection with the settlement of litigation with Zillow in fiscal 2016 and \$11 million of increased marketing costs to drive traffic growth and brand awareness, partially offset by the higher revenues noted above and the absence of \$36 million of legal costs, primarily related to the Zillow litigation. The decrease was partially offset by the \$46 million higher contribution from REA Group, primarily due to the higher revenues noted above, the \$11 million positive impact of foreign currency fluctuations and the absence of \$12 million of costs associated with REA Group's European business, which was disposed of in fiscal 2017, partially offset by \$16 million in higher costs associated with higher revenues and \$14 million in higher costs related to the acquisition of iProperty.

Subscription Video Services (6% of the Company's consolidated revenues in fiscal 2017 and 2016)

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
(in millions, except %)				
Revenues:				
Advertising	\$ 86	\$ 81	\$ 5	6%
Circulation and Subscription	402	398	4	1%
Other	6	5	1	20%
Total Revenues	494	484	10	2%
Operating expenses	(341)	(336)	(5)	(1)%
Selling, general and administrative	(30)	(24)	(6)	(25)%
Segment EBITDA	\$ 123	\$ 124	\$ (1)	(1)%

For the fiscal year ended June 30, 2017, revenues at the Subscription Video Services segment increased \$10 million, or 2% as compared to fiscal 2016. The revenue increase was primarily due to the acquisition of ANC, which contributed \$20 million of revenue in fiscal 2017 and the \$12 million positive impact of foreign currency fluctuations. These increases were partially offset by lower affiliate revenues of \$11 million at FOX SPORTS Australia and the \$10 million impact of the absence of the 53rd week in fiscal 2017.

For the fiscal year ended June 30, 2017, Segment EBITDA at the Subscription Video Services segment decreased \$1 million, or 1%, as compared to fiscal 2016. The decrease in Segment EBITDA was due to the \$3 million negative impact of foreign currency fluctuations as the impact of lower revenues at FOX SPORTS Australia were offset by lower programming rights costs.

LIQUIDITY AND CAPITAL RESOURCES

Current Financial Condition

The Company's principal source of liquidity is internally generated funds and cash and cash equivalents on hand. As of June 30, 2018, the Company's cash and cash equivalents were \$2,034 million. The Company expects these

elements of liquidity will enable it to meet its liquidity needs in the foreseeable future, including repayment of indebtedness. The Company also has available borrowing capacity under the Facility (as defined below) and certain other facilities, as described below, and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Although the Company believes that its cash on hand and future cash from operations, together with its access to the credit and capital markets, will provide adequate resources to fund its operating and financing needs, its access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including: (i) the performance of the Company and/or its operating subsidiaries, as applicable, (ii) the Company's credit rating or absence of a credit rating and/or the credit rating of its operating subsidiaries, as applicable, (iii) the provisions of any relevant debt instruments, credit agreements, indentures and similar or associated documents, (iv) the liquidity of the overall credit and capital markets and (v) the current state of the economy. There can be no assurances that the Company will continue to have access to the credit and capital markets on acceptable terms. See Part I, "Item 1A. Risk Factors" for further discussion.

As of June 30, 2018, the Company's consolidated assets included \$887 million in cash and cash equivalents that were held by its foreign subsidiaries. \$86 million of this amount is cash not readily accessible by the Company as it is held by REA Group, a majority owned but separately listed public company. REA Group must declare a dividend in order for the Company to have access to its share of REA Group's cash balance. The Company earns income outside the U.S., which is deemed to be permanently reinvested in certain foreign jurisdictions. The Company does not currently intend to repatriate these earnings. Should the Company require more capital in the U.S. than is generated by and/or available to its domestic operations, the Company could elect to transfer funds held in foreign jurisdictions. The transfer of funds from foreign jurisdictions may be cumbersome due to local regulations, foreign exchange controls and taxes. Additionally, the transfer of funds from foreign jurisdictions may result in higher effective tax rates and higher cash paid for income taxes for the Company. The Tax Act was enacted on December 22, 2017. As part of the transition to the new partial territorial tax system, the Tax Act imposes a one-time tax on the mandatory deemed repatriation of earnings of the Company's foreign subsidiaries. It is estimated that the deemed repatriation tax will be approximately \$26 million, which was recorded to income tax expense. The estimate may change, possibly materially, due to among other things, further refinement of the Company's calculations, changes in interpretations and assumptions the Company has made, guidance that may be issued and actions the Company may take as a result of the Tax Act.

The principal uses of cash that affect the Company's liquidity position include the following: operational expenditures including employee costs and paper purchases; capital expenditures; income tax payments; investments in associated entities and acquisitions. In addition to the acquisitions and dispositions disclosed elsewhere, the Company has evaluated, and expects to continue to evaluate, possible future acquisitions and dispositions of certain businesses. Such transactions may be material and may involve cash, the issuance of the Company's securities or the assumption of indebtedness.

Issuer Purchases of Equity Securities

In May 2013, the Company's Board of Directors (the "Board of Directors") authorized the Company to repurchase up to an aggregate of \$500 million of its Class A Common Stock. No stock repurchases were made during the fiscal year ended June 30, 2018. Through August 7, 2018, the Company cumulatively repurchased approximately 5.2 million shares of Class A Common Stock for an aggregate cost of approximately \$71 million. The remaining authorized amount under the stock repurchase program as of August 7, 2018 was approximately \$429 million. All decisions regarding any future stock repurchases are at the sole discretion of a duly appointed committee of the Board of Directors and management. The committee's decisions regarding future stock repurchases will be evaluated from time to time in light of many factors, including the Company's financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the committee may deem relevant. The stock repurchase authorization may be modified, extended, suspended or discontinued at any time by the Board of Directors and the Board of Directors cannot provide any assurances that any additional shares will be repurchased.

Dividends

In August 2017, the Board of Directors declared a semi-annual cash dividend of \$0.10 per share for Class A Common Stock and Class B Common Stock. This dividend was paid on October 18, 2017 to stockholders of record at the close of business on September 13, 2017. In February 2018, the Board of Directors declared a semi-annual cash dividend of \$0.10 per share for Class A Common Stock and Class B Common Stock. This dividend was paid on April 18, 2018 to stockholders of record as of March 14, 2018. The timing, declaration, amount and payment of future dividends to stockholders, if any, is within the discretion of the Board of Directors. The Board of Directors' decisions regarding the payment of future dividends will depend on many factors, including the Company's financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the Board of Directors deems relevant.

Sources and Uses of Cash—Fiscal 2018 versus Fiscal 2017

Net cash provided by operating activities from continuing operations for the fiscal years ended June 30, 2018 and 2017 was as follows (in millions):

<u>For the fiscal years ended June 30,</u>	<u>2018</u>	<u>2017</u>
Net cash provided by operating activities from continuing operations	\$757	\$499

Net cash provided by operating activities from continuing operations increased by \$258 million for the fiscal year ended June 30, 2018 as compared to fiscal 2017. The increase was primarily due to the absence of NAM Group's settlement payments of \$256 million made during fiscal 2017 which did not recur during the fiscal year ended June 30, 2018, higher Total Segment EBITDA and lower restructuring payments of \$61 million, partially offset by higher working capital primarily related to higher revenues and reversal of a portion of the previously accrued net liability related to the U.K. Newspaper Matters as a result of an agreement reached with the relevant tax authority and certain timing related items, as well as higher net tax payments of \$30 million.

Net cash used in investing activities from continuing operations for the fiscal years ended June 30, 2018 and 2017 was as follows (in millions):

<u>For the fiscal years ended June 30,</u>	<u>2018</u>	<u>2017</u>
Net cash used in investing activities from continuing operations	\$(321)	\$(105)

The Company had net cash used in investing activities from continuing operations of \$321 million for the fiscal year ended June 30, 2018 as compared to net cash used in investing activities from continuing operations of \$105 million for fiscal 2017. During the fiscal year ended June 30, 2018, the Company used \$364 million of cash for capital expenditures which included approximately \$60 million from the consolidation of Foxtel and \$77 million of cash for acquisitions, primarily for the acquisitions of Hometrack and Smartline, partially offset by cash acquired from the Transaction. The net cash used in investing activities from continuing operations for the fiscal year ended June 30, 2018 was also partially offset by proceeds from the sale of the SEEKAsia cost method investment of \$122 million.

During the fiscal year ended June 30, 2017, the Company used \$347 million of cash for acquisitions, primarily for the acquisitions of Wireless Group and ARM. The Company also had capital expenditures of \$256 million. The net cash used in investing activities from continuing operations for the fiscal year ended June 30, 2017 was partially offset by the utilization of restricted cash for the Wireless Group acquisition of \$315 million and proceeds from the sale of REA Group's European business of approximately \$140 million.

Foxtel's full year capital expenditures for fiscal 2018 were approximately \$285 million, including \$225 million of capital expenditures incurred prior to the consolidation. Foxtel's total capital expenditures in fiscal 2019,

which will be primarily related to subscriber-related expenditures, is expected to be higher than fiscal 2018 by more than \$50 million.

Net cash used in financing activities from continuing operations for the fiscal years ended June 30, 2018 and 2017 was as follows (in millions):

<u>For the fiscal years ended June 30,</u>	<u>2018</u>	<u>2017</u>
Net cash used in financing activities from continuing operations	\$(398)	\$(217)

The Company had net cash used in financing activities from continuing operations of \$398 million for the fiscal year ended June 30, 2018 as compared to net cash used in financing activities from continuing operations of \$217 million for fiscal 2017. During the fiscal year ended June 30, 2018, the Company repaid \$213 million of borrowings related to new Foxtel and REA Group, and made dividend payments of \$158 million, primarily to News Corporation stockholders and REA Group minority stockholders. The Company also paid \$79 million for its mandatorily redeemable interest in iProperty in fiscal 2018. The net cash used in financing activities from continuing operations for the fiscal year ended June 30, 2018 was partially offset by new borrowings of \$95 million.

During the fiscal year ended June 30, 2017, the Company paid dividends of \$152 million, primarily to News Corporation stockholders and REA Group minority stockholders, and repaid the debt assumed in the acquisition of Wireless Group of \$23 million.

Sources and Uses of Cash—Fiscal 2017 versus Fiscal 2016

Net cash provided by operating activities from continuing operations for the fiscal years ended June 30, 2017 and 2016 was as follows (in millions):

<u>For the fiscal years ended June 30,</u>	<u>2017</u>	<u>2016</u>
Net cash provided by operating activities from continuing operations	\$499	\$952

Net cash provided by operating activities from continuing operations decreased by \$453 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016. The decrease was primarily due to higher NAM Group settlement payments of \$234 million during the fiscal year ended June 30, 2017, the absence of net proceeds received in fiscal 2016 from the Zillow litigation settlement of \$122 million, higher restructuring payments of \$41 million during the fiscal year ended June 30, 2017, lower dividends received from Foxtel and other equity method investments of \$30 million and higher net tax payments of \$30 million in fiscal 2017.

Net cash used in investing activities from continuing operations for the fiscal years ended June 30, 2017 and 2016 was as follows (in millions):

<u>For the fiscal years ended June 30,</u>	<u>2017</u>	<u>2016</u>
Net cash used in investing activities from continuing operations	\$(105)	\$(1,124)

The Company had net cash used in investing activities from continuing operations of \$105 million for the fiscal year ended June 30, 2017 as compared to net cash used in investing activities from continuing operations of \$1,124 million for fiscal 2016. During the fiscal year ended June 30, 2017, the Company used \$347 million of cash for acquisitions, primarily for the acquisitions of Wireless Group and ARM. The Company also had capital expenditures of \$256 million. The net cash used in investing activities from continuing operations for the fiscal year ended June 30, 2017 was partially offset by the utilization of restricted cash for the Wireless Group acquisition of \$315 million and proceeds from the sale of REA Group’s European business of approximately \$140 million.

During the fiscal year ended June 30, 2016, the Company used \$520 million of cash for acquisitions, primarily for the acquisitions of iProperty, Unruly, DIAKRIT, Flatmates and Checkout 51. The Company also had capital expenditures of \$256 million in fiscal 2016. Additionally, the Company had set aside \$315 million of cash for use in the Wireless Group acquisition as a result of U.K. takeover regulations and classified this as restricted cash as of June 30, 2016.

Net cash (used in) provided by financing activities from continuing operations for the fiscal years ended June 30, 2017 and 2016 was as follows (in millions):

For the fiscal years ended June 30,	<u>2017</u>	<u>2016</u>
Net cash (used in) provided by financing activities from continuing operations	\$(217)	\$150

The Company had net cash used in financing activities from continuing operations of \$217 million for the fiscal year ended June 30, 2017 as compared to net cash provided by financing activities from continuing operations of \$150 million for fiscal 2016. During the fiscal year ended June 30, 2017, the Company paid dividends of \$152 million, primarily to News Corporation stockholders and REA Group minority stockholders, and repaid the debt assumed in the acquisition of Wireless Group of \$23 million.

During the fiscal year ended June 30, 2016, the Company had proceeds from borrowings under the REA Facility of approximately \$340 million. The net cash provided by financing activities from continuing operations for the fiscal year ended June 30, 2016 was partially offset by dividend payments of \$147 million, primarily to News Corporation stockholders and REA Group minority stockholders, and repurchases of News Corporation shares for \$41 million.

Reconciliation of Free Cash Flow Available to News Corporation

Free cash flow available to News Corporation is a non-GAAP financial measure defined as net cash provided by operating activities from continuing operations, less capital expenditures (“free cash flow”), less REA Group free cash flow, plus cash dividends received from REA Group. Free cash flow available to News Corporation excludes cash flows from discontinued operations. Free cash flow available to News Corporation should be considered in addition to, not as a substitute for, cash flows from continuing operations and other measures of financial performance reported in accordance with GAAP. Free cash flow available to News Corporation may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of free cash flow.

The Company considers free cash flow available to News Corporation to provide useful information to management and investors about the amount of cash that is available to be used to strengthen the Company’s balance sheet and for strategic opportunities including, among others, investing in the Company’s business, strategic acquisitions, dividend payouts and repurchasing stock. The Company believes excluding REA Group’s free cash flow and including dividends received from REA Group provides users of its consolidated financial statements with a measure of the amount of cash flow that is readily available to the Company, as REA Group is a separately listed public company in Australia and must declare a dividend in order for the Company to have access to its share of REA Group’s cash balance. The Company believes free cash flow available to News Corporation provides a more conservative view of the Company’s free cash flow because this presentation includes only that amount of cash the Company actually receives from REA Group, which has generally been lower than the Company’s unadjusted free cash flow.

A limitation of free cash flow available to News Corporation is that it does not represent the total increase or decrease in the cash balance for the period. Management compensates for the limitation of free cash flow available to News Corporation by also relying on the net change in cash and cash equivalents as presented in the Statements of Cash Flows prepared in accordance with GAAP which incorporate all cash movements during the period.

The following table presents a reconciliation of net cash provided by continuing operating activities to free cash flow available to News Corporation:

	For the fiscal years ended June 30,		
	2018	2017	2016
		(in millions)	
Net cash provided by continuing operating activities	\$ 757	\$ 499	\$ 952
Less: Capital expenditures	(364)	(256)	(256)
	393	243	696
Less: REA Group free cash flow	(207)	(183)	(131)
Plus: Cash dividends received from REA Group	63	53	45
Free cash flow available to News Corporation	<u>\$ 249</u>	<u>\$ 113</u>	<u>\$ 610</u>

Free cash flow available to News Corporation increased \$136 million in the fiscal year ended June 30, 2018 to \$249 million from \$113 million in fiscal 2017 primarily due to higher cash provided by continuing operating activities as discussed above, partially offset by higher capital expenditures.

Free cash flow available to News Corporation decreased \$497 million in the fiscal year ended June 30, 2017 to \$113 million from \$610 million in fiscal 2016. The decrease was primarily due to lower cash provided by continuing operating activities as discussed above, as well as higher REA Group free cash flow.

Borrowings

As of June 30, 2018, the Company had total borrowings of \$1.95 billion, including the current portion. The Company's borrowings as of such date reflect \$1.6 billion of outstanding debt incurred by certain subsidiaries of new Foxtel (together with new Foxtel, the "Foxtel Group") that the Company consolidated upon completion of the Transaction. The Foxtel Group debt includes U.S. private placement senior unsecured notes and drawn amounts under its revolving credit facilities, with maturities ranging from 2019 to 2024. Approximately \$370 million (A\$500 million) aggregate principal amount outstanding will mature during fiscal 2019, and the Company expects to fund these debt repayments primarily with new borrowings. The Foxtel Group's borrowings are guaranteed by certain members of the Foxtel Group. In accordance with ASC 805, these debt instruments were recorded at fair value as of the Transaction date. During the fourth quarter of fiscal 2018, the Foxtel Group had repayments of \$119 million and borrowings of \$42 million under its working capital facility.

The Company's borrowings as of June 30, 2018 also reflect the incurrence of approximately \$53 million of indebtedness by REA Group during the fourth quarter of fiscal 2018 to fund the acquisition of Hometrack Australia and the repayment of approximately \$93 million (A\$120 million) for the first tranche of its A\$480 million unsecured revolving loan facility, which matured in December 2017. The second tranche of approximately \$89 million (A\$120 million) will mature in December 2018, and the Company expects REA Group to fund this debt repayment primarily with cash on hand.

The Company has additional borrowing capacity under its unsecured \$650 million revolving credit facility (the "Facility"), which can be increased up to a maximum amount of \$900 million at the Company's request. The lenders' commitments to make the Facility available terminate on October 23, 2020, provided the Company may request that the commitments be extended under certain circumstances for up to two additional one-year periods. As of the date of this filing, the Company has not borrowed any funds under the Facility. In addition, the Company has \$198 million of undrawn commitments under Foxtel Group's revolving credit facilities.

The Company's borrowings contains customary representations, covenants, and events of default. The Company was in compliance with all such covenants at June 30, 2018.

See Note 9—Borrowings in the accompanying Consolidated Financial Statements for further details regarding the Company's outstanding debt, including certain information about interest rates, maturities, covenants and restrictions related to such debt arrangements.

Commitments

The Company has commitments under certain firm contractual arrangements (“firm commitments”) to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The following table summarizes the Company’s material firm commitments as of June 30, 2018.

	As of June 30, 2018				
	Total	Payments Due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in millions)				
Purchase obligations ^(a)	\$1,165	\$ 505	\$ 409	\$ 168	\$ 83
Sports programming rights ^(b)	2,316	490	966	750	110
Programming costs ^(c)	239	120	100	19	—
Operating leases ^(d)					
Transmission costs ^(e)	480	66	122	118	174
Land and buildings	1,585	168	291	244	882
Plant and machinery	26	7	10	8	1
Borrowings ^(f)	1,937	459	962	373	143
Interest payments on borrowings ^(g)	196	19	56	77	44
Total commitments and contractual obligations	<u>\$7,944</u>	<u>\$1,834</u>	<u>\$2,916</u>	<u>\$1,757</u>	<u>\$1,437</u>

(a) The Company has commitments under purchase obligations related to minimum subscriber guarantees for license fees, printing contracts, capital projects, marketing agreements, production services and other legally binding commitments.

(b) The Company has sports programming rights commitments with National Rugby League, Australian Football League, Cricket Australia, the domestic football league, and Australian Rugby Union as well as certain other broadcast rights which are payable through fiscal 2024. In April 2018, new Foxtel entered into a sports programming rights agreement with Cricket Australia to broadcast domestic cricket for a six year period from 2018 to 2024. The sports rights commitments are included in the table above. The Company expects to incur approximately \$75 million for the domestic cricket rights and other related expenses in fiscal 2019.

(c) The Company has programming rights commitments with various suppliers for programming content.

(d) The Company leases office facilities, warehouse facilities, printing plants, satellite service agreements and equipment. These leases, which are classified as operating leases, are expected to be paid at certain dates through fiscal 2062. This amount includes approximately \$175 million of land and office facilities that have been subleased from 21st Century Fox.

(e) The Company has contractual commitments for satellite transmission services. The transponder services arrangements extend through 2029 and are accounted for as operating leases.

(f) See Note 9—Borrowings in the accompanying Consolidated Financial Statements.

(g) Reflects the Company’s expected future interest payments on borrowings outstanding and interest rates applicable at June 30, 2018. Such rates are subject to change in future periods. See Note 9—Borrowings in the accompanying Consolidated Financial Statements.

The Company has certain contracts to purchase newsprint, ink and plates that require the Company to purchase a percentage of its total requirements for production. Since the quantities purchased annually under these contracts are not fixed and are based on the Company’s total requirements, the amount of the related payments for these purchases is excluded from the table above.

The table also excludes the Company’s pension obligations, other postretirement benefits (“OPEB”) obligations and the liabilities for unrecognized tax benefits for uncertain tax positions as the Company is unable to reasonably predict the ultimate amount and timing of the commitments. The Company made contributions of \$29 million and \$26 million to its pension plans in fiscal 2018 and fiscal 2017, respectively. Future plan

contributions are dependent upon actual plan asset returns and interest rates and statutory requirements. The Company anticipates that it will make contributions of approximately \$17 million in fiscal 2019, assuming that actual plan asset returns are consistent with the Company's expected returns in fiscal 2017 and beyond, and that interest rates remain constant. The Company will continue to make voluntary contributions as necessary to improve the funded status of the plans. Payments due to participants under the Company's pension plans are primarily paid out of underlying trusts. Payments due under the Company's OPEB plans are not required to be funded in advance, but are paid as medical costs are incurred by covered retiree populations, and are principally dependent upon the future cost of retiree medical benefits under the Company's OPEB plans. The Company expects its OPEB payments to approximate \$9 million in fiscal 2019. See Note 17—Retirement Benefit Obligations in the accompanying Consolidated Financial Statements.

Contingencies

The Company routinely is involved in various legal proceedings, claims and governmental inspections or investigations, including those discussed in Note 16 to the Consolidated Financial Statements. The outcome of these matters and claims is subject to significant uncertainty, and the Company often cannot predict what the eventual outcome of pending matters will be or the timing of the ultimate resolution of these matters. Fees, expenses, fines, penalties, judgments or settlement costs which might be incurred by the Company in connection with the various proceedings could adversely affect its results of operations and financial condition.

The Company establishes an accrued liability for legal claims when it determines that a loss is both probable and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of any loss ultimately incurred in relation to matters for which an accrual has been established may be higher or lower than the amounts accrued for such matters. Legal fees associated with litigation and similar proceedings are expensed as incurred. The Company recognizes gain contingencies when the gain becomes realized or realizable. See Note 16—Commitments and Contingencies in the accompanying Consolidated Financial Statements.

The Company's tax returns are subject to on-going review and examination by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company's tax returns, and therefore the outcome of tax reviews and examinations can be unpredictable. The Company believes it has appropriately accrued for the expected outcome of uncertain tax matters and believes such liabilities represent a reasonable provision for taxes ultimately expected to be paid. However, these liabilities may need to be adjusted as new information becomes known and as tax examinations continue to progress, or as settlements or litigations occur.

CRITICAL ACCOUNTING POLICIES

An accounting policy is considered to be critical if it is important to the Company's financial condition and results and if it requires significant judgment and estimates on the part of management in its application. The development and selection of these critical accounting policies have been determined by management of the Company. See Note 2—Summary of Significant Accounting Policies in the accompanying Consolidated Financial Statements.

Long-lived assets

The Company's long-lived assets include goodwill, finite-lived and indefinite-lived intangible assets and property, plant and equipment. Assets acquired in business combinations are recorded at their estimated fair value at the date of acquisition. Goodwill is recorded as the difference between the cost of acquiring an entity and the estimated fair values assigned to its tangible and identifiable intangible net assets and is assigned to one or more reporting units for purposes of testing for impairment.

Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. Identifying reporting units and assigning goodwill to them requires judgment involving the aggregation of business units with similar economic characteristics and the identification of existing business units that benefit from the acquired goodwill. The judgments made in determining the estimated fair value assigned to each class of long-lived assets acquired, their reporting unit, as well as their useful lives can significantly impact net income. The Company allocates goodwill to disposed businesses using the relative fair value method.

Goodwill and Indefinite-lived Intangible Assets

The Company tests goodwill and indefinite-lived intangibles for impairment on an annual basis in the fourth quarter and at other times if a significant event or change in circumstances indicates that it is more likely than not that the fair value of these assets has been reduced below their carrying value. The Company uses its judgment in assessing whether assets may have become impaired between annual impairment assessments. Indicators such as unexpected adverse economic factors, unanticipated technological change or competitive activities, loss of key personnel and acts by governments and courts, may signal that an asset has become impaired.

During the third quarter of fiscal 2017, the Company early adopted ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04") which eliminates Step 2 from the goodwill impairment test and instead requires an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Under ASU 2017-04, in assessing goodwill for impairment, the Company has the option to first perform a qualitative assessment to determine whether events or circumstances exist that lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company is not required to perform any additional tests in assessing goodwill for impairment. However, if the Company concludes otherwise or elects not to perform the qualitative assessment, then it is required to perform a quantitative analysis to determine the fair value of the business, and compare the calculated fair value of a reporting unit with its carrying amount, including goodwill. In performing the valuation, the Company determines the fair value of a reporting unit primarily by using a discounted cash flow analysis and market-based valuation approach methodologies.

Determining fair value requires the exercise of significant judgments, including judgments about appropriate discount rates, long-term growth rates, relevant comparable company earnings multiples and the amount and timing of expected future cash flows. During the fourth quarter of fiscal 2018, as part of the Company's long-range planning process, the Company completed its annual goodwill and indefinite-lived intangible asset impairment test.

The performance of the Company's annual impairment analysis resulted in \$43 million of impairments of goodwill and indefinite-lived intangible assets in fiscal 2018. Significant unobservable inputs utilized in the income approach valuation method were discount rates (ranging from 8.5%-25.0%), long-term growth rates (ranging from (1.0%)-3.0%) and royalty rates (ranging from 0.5%-7.5%). Significant unobservable inputs utilized in the market approach valuation method were EBITDA multiples from guideline public companies operating in similar industries and control premiums of 10%.

Significant increases (decreases) in royalty rates, growth rates, control premiums and multiples, assuming no change in discount rates, would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in discount rates, assuming no changes in royalty rates, growth rates, control premiums and multiples, would result in a significantly higher (lower) fair value measurement.

The fair values of the Company's reporting units in fiscal 2018 exceeded the respective carrying values in a range from approximately 0% to 45%. No material impairments were identified. Any increase in the discount rate or decrease in the projected cash flows terminal growth rate would have resulted in a reporting unit of the News and Information Services segment failing the 2018 impairment analysis, which would have required the company to record an impairment charge equal to the difference between the fair value of the reporting unit and its carrying value. The News and Information Services segment has a reporting unit with goodwill of approximately \$170 million at June 30, 2018 that is at-risk for future impairment. The Company will continue to monitor its goodwill for possible future impairment.

Property, Plant and Equipment

The Company evaluates the carrying value of property, plant and equipment, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable, in accordance with ASC 360, "Property, Plant, and Equipment" ("ASC 360"). An asset group is the lowest level of assets and liabilities for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Events or circumstances that might warrant an impairment recoverability review include, among other things, material declines in operating performance, significant adverse market conditions and planned changes in the use of an asset group.

In determining whether the carrying value of an asset group is recoverable, the Company estimates undiscounted future cash flows over the estimated life of the primary asset of the asset group. The estimates of such future cash flows require estimating such factors as future operating performance, market conditions and the estimated holding period of each asset. If all or a portion of the carrying value of an asset group is found to be non-recoverable, the Company records an impairment charge equal to the difference between the asset group's carrying value and its fair value. The Company generally measures fair value by considering sales prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Typical assumptions applied when using a market-based approach include projected EBITDA and related multiples. Typical assumptions applied when using an income approach include projected free cash flows, discount rates and long-term growth rates. All of these assumptions are made by management based on the best available information at the time of the estimates and are subject to deviations from actual results.

Programming Costs

Costs incurred in acquiring program rights or producing programs are accounted for in accordance with ASC 920, "Entertainment—Broadcasters." Program rights and the related liabilities are recorded at the gross amount of the liabilities when the license period has begun, the cost of the program is determinable and the program is accepted and available for airing. Programming costs are amortized over the license period or expected useful life of each program. The Company regularly reviews its programming assets to ensure they continue to reflect net realizable value. Any change in circumstances may result in a write-down of the asset to fair value. The Company has single and multi-year contracts for broadcast rights of sporting events. The costs of sports contracts are primarily charged to expense over the respective season as events are aired. For sports contracts with dedicated channels, the Company amortizes the sports programming rights costs over 12 months.

Income Taxes

The Company is subject to income taxes in the U.S. and various foreign jurisdictions in which it operates and records its tax provision for the anticipated tax consequences in its reported results of operations. Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining the Company's tax expense and in evaluating its tax positions including evaluating uncertainties as promulgated under ASC 740, "Income Taxes."

The Company's annual tax rate is based primarily on its geographic income and statutory tax rates in the various jurisdictions in which it operates. Significant management judgment is required in determining the Company's provision for income taxes, deferred tax assets and liabilities and the valuation allowance recorded against the Company's net deferred tax assets, if any. In assessing the likelihood of realization of deferred tax assets, management considers estimates of the amount and character of future taxable income. The Company's actual effective tax rate and income tax expense could vary from estimated amounts due to the future impacts of various items, including changes in income tax laws, tax planning and the Company's forecasted financial condition and results of operations in future periods. Although the Company believes current estimates are reasonable, actual results could differ from these estimates.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Consolidated Financial Statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Significant management judgment is required to determine whether the recognition threshold has been met and, if so, the appropriate amount of unrecognized tax benefits to be recorded in the Consolidated Financial Statements. Management re-evaluates tax positions each period in which new information about recognition or measurement becomes available. The Company's policy is to recognize, when applicable, interest and penalties on unrecognized income tax benefits as part of Income tax benefit (expense).

Retirement Benefit Obligations

The Company's employees participate in various defined benefit pension and postretirement plans sponsored by the Company and its subsidiaries. See Note 17—Retirement Benefit Obligations in the accompanying Consolidated Financial Statements.

The Company records amounts relating to its pension and other postretirement benefit plans based on calculations specified by GAAP. The measurement and recognition of the Company's pension and other postretirement benefit plans require the use of significant management judgments, including discount rates, expected return on plan assets, mortality and other actuarial assumptions. Net periodic benefit costs (income) is calculated based upon a number of actuarial assumptions, including a discount rate for plan obligations and an expected rate of return on plan assets. Current market conditions, including changes in investment returns and interest rates, were considered in making these assumptions. In developing the expected long-term rate of return, the pension portfolio's past average rate of returns, and future return expectations of the various asset classes were considered. The weighted average expected long-term rate of return of 4.7% for fiscal 2019 is based on a weighted average target asset allocation assumption of 23% equities, 65% fixed-income securities and 12% cash and other investments.

The Company recorded \$3 million, \$1 million, and \$8 million in net periodic benefit costs (income) in the Statements of Operations for the fiscal years ended June 30, 2018, 2017 and 2016, respectively. In fiscal 2017, the Company changed the method used to estimate the service and interest cost components of net periodic benefit costs (income) for its pension and other postretirement benefit plans. For fiscal 2016, the Company estimated the service and interest cost components of net periodic benefit costs (income) utilizing a single weighted-average discount rate for each country in which the Company has plans derived from a yield curve used to measure the benefit obligation. The new method utilized a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their underlying projected cash flows. The Company changed to the new method to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates. The change was accounted for as a change in accounting estimate which was applied prospectively. This change in estimate is not expected to have a material impact on the Company's pension and postretirement net periodic benefit expense in future periods.

Although the discount rate used for each plan will be established and applied individually, a weighted average discount rate of 3.2% will be used in calculating the fiscal 2019 net periodic benefit costs (income). The discount rate reflects the market rate for high-quality fixed-income investments on the Company's annual measurement date of June 30 and is subject to change each fiscal year. The discount rate assumptions used to account for pension and other postretirement benefit plans reflect the rates at which the benefit obligations could be effectively settled. The rate was determined by matching the Company's expected benefit payments for the plans to a hypothetical yield curve developed using a portfolio of several hundred high-quality non-callable corporate bonds. The weighted average discount rate is volatile from year to year because it is determined based upon the prevailing rates in the U.S., the U.K., Australia and other foreign countries as of the measurement date.

The key assumptions used in developing the Company's fiscal 2018, 2017 and 2016 net periodic benefit costs (income) for its plans consist of the following:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(in millions, except %)		
Weighted average assumptions used to determine net periodic benefit costs (income)			
Discount rate for PBO	3.0%	3.1%	3.9%
Discount rate for Service Cost	3.9%	3.1%	3.9%
Discount rate for Interest on PBO	2.6%	2.6%	3.9%
Discount rate for Interest on Service Cost	3.5%	2.9%	3.9%
Assets:			
Expected rate of return	5.1%	5.7%	5.7%
Expected return	\$ 70	\$ 75	\$ 81
Actual return	<u>\$ 35</u>	<u>\$106</u>	<u>\$121</u>
Gain/(Loss)	\$(35)	\$ 31	\$ 40
One year actual return	3.0%	8.2%	9.4%
Five year actual return	7.3%	8.8%	7.7%

The Company will use a weighted average long-term rate of return of 4.7% for 2019 based principally on a combination of current asset mix and an expectation of future long term investment returns. The accumulated net pre-tax losses on the Company's pension plans as of June 30, 2018 were approximately \$442 million which decreased from approximately \$595 million for the Company's pension plans as of June 30, 2017. This decrease of \$153 million was primarily due to increased discount rates. Lower discount rates increase present values of benefit obligations and increase the Company's deferred losses and also increase subsequent-year benefit costs. Higher discount rates decrease the present values of benefit obligations and reduce the Company's accumulated net loss and also decrease subsequent-year benefit costs. These deferred losses are being systematically recognized in future net periodic benefit costs (income) in accordance with ASC 715, "Compensation—Retirement Benefits." Unrecognized losses for the primary plans in excess of 10% of the greater of the market-related value of plan assets or the plan's projected benefit obligation are recognized over the average life expectancy for plan participants for the primary plans.

The Company made contributions of \$29 million, \$26 million and \$26 million to its funded pension plans in fiscal 2018, 2017 and 2016, respectively. Future plan contributions are dependent upon actual plan asset returns, statutory requirements and interest rate movements. Assuming that actual plan returns are consistent with the Company's expected plan returns in fiscal 2018 and beyond, and that interest rates remain constant, the Company anticipates that it will make contributions of approximately \$17 million in fiscal 2019. The Company will continue to make voluntary contributions as necessary to improve the funded status of the plans. See Note 18—Other Postretirement Benefits in the accompanying Consolidated Financial Statements.

Changes in net periodic benefit costs may occur in the future due to changes in the Company's expected rate of return on plan assets and discount rate resulting from economic events. The following table highlights the

sensitivity of the Company's pension obligations and expense to changes in these assumptions, assuming all other assumptions remain constant:

<u>Changes in Assumption</u>	<u>Impact on Annual Pension Expense</u>	<u>Impact on Projected Benefit Obligation</u>
0.25 percentage point decrease in discount rate	Increase \$1 million	Increase \$60 million
0.25 percentage point increase in discount rate	—	Decrease \$54 million
0.25 percentage point decrease in expected rate of return on assets	Increase \$3 million	—
0.25 percentage point increase in expected rate of return on assets	Decrease \$3 million	—

Recent Accounting Pronouncements

See Note 2 —Summary of Significant Accounting Policies in the accompanying Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has exposure to different types of market risk including changes in foreign currency rates, interest rates and stock prices. When deemed appropriate, the Company uses derivative financial instruments such as cross currency interest rate swaps, interest rate swaps and foreign exchange contracts to hedge certain risk exposures. The Company neither holds nor issues financial instruments for trading purposes.

The following sections provide quantitative information on the Company's exposure to foreign currency rate risk, interest rate risk and other relevant market risks. The Company makes use of sensitivity analyses that are inherently limited in estimating actual losses in fair value that can occur from changes in market conditions.

Foreign Currency Rates

The Company conducts operations in three principal currencies: the U.S. dollar; the Australian dollar; and the British pound sterling. These currencies operate primarily as the functional currency for the Company's U.S., Australian and U.K. operations, respectively. Cash is managed centrally within each of the three regions with net earnings reinvested locally and working capital requirements met from existing liquid funds. To the extent such funds are not sufficient to meet working capital requirements, funding in the appropriate local currencies is made available from intercompany capital. The Company does not hedge its investments in the net assets of its Australian and U.K. operations.

Because of fluctuations in exchange rates, the Company is subject to currency translation exposure on the results of its operations. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of earnings and balance sheets from functional currency to the Company's reporting currency (the U.S. dollar) for consolidation purposes. The Company does not hedge translation risk because it generally generates positive cash flows from its international operations that are typically reinvested locally. Exchange rates with the most significant impact to its translation include the Australian dollar and British pound sterling. As exchange rates fluctuate, translation of its Statements of Operations into U.S. dollars affects the comparability of revenues and expenses between years.

The table below details the percentage of revenues and expenses by the three principal currencies for the fiscal years ended June 30, 2018 and 2017:

	<u>U.S. Dollars</u>	<u>Australian Dollars</u>	<u>British Pound Sterling</u>
Fiscal year ended June 30, 2018			
Revenues	43%	34%	18%
Operating and Selling, general, and administrative expenses	44%	31%	19%
Fiscal year ended June 30, 2017			
Revenues	47%	29%	19%
Operating and Selling, general, and administrative expenses	47%	26%	20%

Based on the year ended June 30, 2018, a one cent change in each of the U.S. dollar/Australian dollar and the U.S. dollar/British pound sterling exchange rates would have impacted revenues by approximately \$39 million and \$12 million, respectively, for each currency on an annual basis, and would have impacted Total Segment EBITDA by approximately \$8 million and \$1 million, respectively, on an annual basis.

Derivatives and Hedging

As a result of the Transaction, the Company consolidated Foxtel's portfolio of debt and derivative instruments. As of June 30, 2018, the new Foxtel operating subsidiaries, whose functional currency is Australian dollars, had \$575 million aggregate principal amount of outstanding indebtedness denominated in U.S. dollars. The remaining borrowings are denominated in Australian dollars. New Foxtel utilizes cross-currency swaps, designated as both cash flow hedges and fair value hedges, to hedge a portion of the exchange risk related to

interest and principal payments on its U.S. dollar denominated debt. The total notional value of these cross-currency interest rate swaps designated as cash flow hedges and fair value hedges were \$296 million (A\$400 million) and \$74 million (A\$100 million), respectively, as of June 30, 2018. New Foxtel also has a portfolio of foreign exchange contracts to hedge a portion of the exchange risk related to U.S. dollar payments for license fees. The notional value of these foreign exchange contracts was \$100 million as of June 30, 2018.

In addition to derivative instruments that are designated and qualify for hedge accounting, the Company also uses certain derivatives not designated as accounting hedges to mitigate foreign currency and interest rate risk. These are referred to as economic hedges. The total notional value of cross currency interest rate derivatives was \$75 million as of June 30, 2018. Refer to the table below for further details of the sensitivity of the Company's financial instruments which are subject to foreign exchange risk.

	<u>As of June 30,</u>	
	<u>2018</u>	<u>2017</u>
Fair value (Hedge type)		
Foreign currency derivatives—cash flow hedge asset	\$ 3	\$ —
Sensitivity Analysis		
Potential change in fair values resulting from a 10% adverse change in quoted foreign currency exchange rates: loss	\$ (9)	\$ —
Fair value (Hedge type)		
Cross currency interest rate swaps—fair value hedges asset	\$ 29	\$ —
Cross currency interest rate swaps—cash flow hedges asset	64	—
Cross currency interest rate swaps—economic hedge asset	10	—
Total cross currency interest rate swap assets, net	<u>\$103</u>	<u>\$ —</u>
Sensitivity Analysis		
Potential change in fair values resulting from a 10% adverse change in quoted foreign currency exchange rates: loss	\$ (55)	\$ —
Potential change in fair values resulting from a 10% adverse change in quoted interest rates: loss	\$ (2)	\$ —
Fair value (Hedge type)		
Interest rate derivatives—cash flow hedge liability	\$ 20	\$ —
Sensitivity Analysis		
Potential change in fair values resulting from a 10% adverse change in quoted interest rates: loss	\$ (3)	\$ —

Interest Rates

The Company's current financing arrangements and facilities include approximately \$650 million of outstanding fixed-rate debt and approximately \$1.3 billion of outstanding variable-rate bank facilities, before adjustments for unamortized discount and debt issuance costs (See Note 9—Borrowings in the accompanying Consolidated Financial Statements). Fixed and variable-rate debts are impacted differently by changes in interest rates. A change in the interest rate or yield of fixed-rate debt will only impact the fair market value of such debt, while a change in the interest rate of variable-rate debt will impact interest expense, as well as the amount of cash required to service such debt. In connection with these borrowings, new Foxtel has utilized certain derivative instruments to swap U.S. dollar denominated fixed interest payments for Australian dollar denominated variable rate. As discussed above, new Foxtel utilizes cross-currency swaps, designated as both cash flow hedges and fair value hedges, to hedge a portion of the interest rate risk related to interest and principal payments on its U.S. dollar denominated debt. The Company has also utilized certain derivative instruments to swap Australian dollar denominated variable interest payments for Australian dollar denominated fixed rates. As of June 30, 2018, the notional amount of interest rate swap contracts outstanding was \$518 million (A\$700 million). Refer to the table above for further details of the sensitivity of the Company's financial instruments which are subject to interest rate risk.

Stock Prices

The Company has common stock investments in publicly traded companies that are subject to market price volatility. These investments had an aggregate fair value of approximately \$93 million as of June 30, 2018. A hypothetical decrease in the market price of these investments of 10% would result in a decrease in comprehensive income of approximately \$9 million before tax. Any changes in fair value of the Company's common stock investments are not recognized unless deemed other-than-temporary.

Credit Risk

Cash and cash equivalents are maintained with multiple financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

The Company's receivables did not represent significant concentrations of credit risk as of June 30, 2018 or June 30, 2017 due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

The Company monitors its positions with, and the credit quality of, the financial institutions which are counterparties to its financial instruments. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. As of June 30, 2018, the Company did not anticipate nonperformance by any of the counterparties.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Management's Report on Internal Control Over Financial Reporting for June 30, 2018

Management of News Corporation is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. News Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of News Corporation;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America;
- provide reasonable assurance that receipts and expenditures of News Corporation are being made only in accordance with authorizations of management and directors of News Corporation; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting includes the controls themselves, monitoring and internal auditing practices and actions taken to correct deficiencies as identified.

Because of its inherent limitations, internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, the assessment of the effectiveness of internal control over financial reporting was made as of a specific date. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Company's principal executive officer and principal financial officer, conducted an assessment of the effectiveness of News Corporation's internal control over financial reporting as of June 30, 2018, based on criteria for effective internal control over financial reporting described in the 2013 "*Internal Control—Integrated Framework*" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of News Corporation's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. In accordance with Securities and Exchange Commission guidelines permitting the exclusion of a recently acquired business from management's assessment of internal control over financial reporting in the year of acquisition, management did not assess the internal controls of Foxtel, which the Company began consolidating in April 2018. The operations and related assets of Foxtel were included in the consolidated financial statements of News Corporation beginning from the date of the transaction and constituted approximately 6% of total revenues for the year ended June 30, 2018 and approximately 25% of total assets as of June 30, 2018, the majority of which are intangible assets and goodwill. Management reviewed the results of its assessment with the Audit Committee of News Corporation's Board of Directors.

Based on this assessment, management determined that, as of June 30, 2018, News Corporation maintained effective internal control over financial reporting.

Ernst & Young LLP, the independent registered public accounting firm who audited and reported on the Consolidated Financial Statements of News Corporation included in the Annual Report on Form 10-K for the fiscal year ended June 30, 2018, has audited the Company's internal control over financial reporting. Their report appears on the following page.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of News Corporation:

Opinion on Internal Control over Financial Reporting

We have audited News Corporation's internal control over financial reporting as of June 30, 2018, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, News Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of June 30, 2018, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Foxtel, which is included in the 2018 consolidated financial statements of News Corporation and constituted 25% of total assets as of June 30, 2018 and 6% of total revenues for the year then ended. Our audit of internal control over financial reporting of News Corporation also did not include an evaluation of the internal control over financial reporting of Foxtel.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of News Corporation as of June 30, 2018 and 2017, the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended June 30, 2018, and the related notes (collectively referred to as the "consolidated financial statements") and our report dated August 15, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
New York, New York
August 15, 2018

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of News Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of News Corporation (the Company) as of June 30, 2018 and 2017, the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended June 30, 2018, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of News Corporation at June 30, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), News Corporation’s internal control over financial reporting as of June 30, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated August 15, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the News Corporation’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2012.

New York, New York

August 15, 2018

NEWS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Notes	For the fiscal years ended June 30,		
		2018	2017	2016
Revenues:				
Advertising		\$ 2,799	\$ 2,860	\$ 3,025
Circulation and subscription		3,021	2,470	2,569
Consumer		1,664	1,573	1,578
Real estate		858	696	619
Other		682	540	501
Total Revenues		9,024	8,139	8,292
Operating expenses		(4,903)	(4,529)	(4,728)
Selling, general and administrative		(3,049)	(2,725)	(2,722)
NAM Group and Zillow settlements, net	16	—	—	(158)
Depreciation and amortization		(472)	(449)	(505)
Impairment and restructuring charges	5, 7, 8	(351)	(927)	(89)
Equity (losses) earnings of affiliates	6	(1,006)	(295)	30
Interest, net		(7)	39	43
Other, net	21	(325)	132	18
(Loss) income from continuing operations before income tax (expense) benefit		(1,089)	(615)	181
Income tax (expense) benefit	19	(355)	(28)	54
(Loss) income from continuing operations		(1,444)	(643)	235
Income from discontinued operations, net of tax	4	—	—	15
Net (loss) income		(1,444)	(643)	250
Less: Net income attributable to noncontrolling interests		(70)	(95)	(71)
Net (loss) income attributable to News Corporation stockholders		<u>\$ (1,514)</u>	<u>\$ (738)</u>	<u>\$ 179</u>
Basic and diluted (loss) earnings per share:	14			
(Loss) income from continuing operations available to News Corporation stockholders per share		\$ (2.60)	\$ (1.27)	\$ 0.28
Income from discontinued operations available to News Corporation stockholders per share		—	—	0.02
Net (loss) income available to News Corporation stockholders per share		<u>\$ (2.60)</u>	<u>\$ (1.27)</u>	<u>\$ 0.30</u>
Cash dividends declared per share of common stock		<u>\$ 0.20</u>	<u>\$ 0.20</u>	<u>\$ 0.20</u>

The accompanying notes are an integral part of these audited consolidated financial statements.

NEWS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(IN MILLIONS)

	For the fiscal years ended June 30,		
	2018	2017	2016
Net (loss) income	\$(1,444)	\$(643)	\$ 250
Other comprehensive income (loss):			
Foreign currency translation adjustments	(123)	84	(398)
Net change in the fair value of cash flow hedges ^(a)	4	—	—
Unrealized holding (losses) gains on securities, net ^(b)	27	(25)	1
Benefit plan adjustments, net ^(c)	128	8	(32)
Share of other comprehensive (loss) income from equity affiliates, net ^(d)	12	4	(16)
Other comprehensive income (loss)	48	71	(445)
Comprehensive loss	(1,396)	(572)	(195)
Less: Net income attributable to noncontrolling interests	(70)	(95)	(71)
Less: Other comprehensive loss (income) attributable to noncontrolling interests	42	(9)	1
Comprehensive loss attributable to News Corporation stockholders	<u>\$(1,424)</u>	<u>\$(676)</u>	<u>\$(265)</u>

- (a) Net of income tax expense of \$2 million, nil and nil for the fiscal year ended June 30, 2018, 2017 and 2016, respectively.
- (b) Net of income tax expense (benefit) of \$1 million, (\$10) million, and nil for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.
- (c) Net of income tax expense (benefit) of \$28 million, \$8 million, and (\$14) million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.
- (d) Net of income tax expense (benefit) of \$5 million, \$2 million, and (\$7) million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

The accompanying notes are an integral part of these audited consolidated financial statements.

NEWS CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)

		As of June 30,	
	Notes	2018	2017
Assets:			
Current assets:			
Cash and cash equivalents		\$ 2,034	\$ 2,016
Receivables, net	2	1,612	1,276
Inventory, net		376	208
Other current assets		372	315
Total current assets		4,394	3,815
Non-current assets:			
Investments	6	393	2,027
Property, plant and equipment, net	7	2,560	1,624
Intangible assets, net	8	2,671	2,281
Goodwill	8	5,218	3,838
Deferred income tax assets	19	279	525
Other non-current assets	21	831	442
Total assets		\$16,346	\$14,552
Liabilities and Equity:			
Current liabilities:			
Accounts payable		\$ 605	\$ 222
Accrued expenses		1,340	1,204
Deferred revenue		516	426
Current borrowings	9	462	103
Other current liabilities	21	372	497
Total current liabilities		3,295	2,452
Non-current liabilities:			
Borrowings	9	1,490	276
Retirement benefit obligations	17	245	319
Deferred income tax liabilities	19	389	61
Other non-current liabilities		430	351
Commitments and contingencies	16		
Redeemable preferred stock	10	20	20
Class A common stock ^(a)		4	4
Class B common stock ^(b)		2	2
Additional paid-in capital		12,322	12,395
Accumulated deficit		(2,163)	(648)
Accumulated other comprehensive loss		(874)	(964)
Total News Corporation stockholders' equity		9,291	10,789
Noncontrolling interests		1,186	284
Total equity		10,477	11,073
Total liabilities and equity		\$16,346	\$14,552

(a) **Class A common stock**, \$0.01 par value per share (“Class A Common Stock”), 1,500,000,000 shares authorized, 383,385,353 and 382,294,262 shares issued and outstanding, net of 27,368,413 treasury shares at par at June 30, 2018 and June 30, 2017, respectively.

(b) **Class B common stock**, \$0.01 par value per share (“Class B Common Stock”), 750,000,000 shares authorized, 199,630,240 shares issued and outstanding, net of 78,430,424 treasury shares at par at June 30, 2018 and June 30, 2017, respectively.

The accompanying notes are an integral part of these audited consolidated financial statements.

NEWS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	Notes	For the fiscal years ended June 30,		
		2018	2017	2016
Operating activities:				
Net (loss) income		\$(1,444)	\$ (643)	\$ 250
Less: Income from discontinued operations, net of tax		—	—	15
(Loss) income from continuing operations		(1,444)	(643)	235
Adjustments to reconcile (loss) income from continuing operations to cash provided by operating activities:				
Depreciation and amortization		472	449	505
Equity losses (earnings) of affiliates	6	1,006	295	(30)
Cash distributions received from affiliates		5	4	34
Impairment charges	7, 8	280	785	—
Other, net	21	325	(132)	(18)
Deferred income taxes and taxes payable	19	202	(95)	(147)
Change in operating assets and liabilities, net of acquisitions:				
Receivables and other assets		(128)	(58)	22
Inventories, net		(14)	15	35
Accounts payable and other liabilities		53	137	58
NAM Group settlement		—	(258)	258
Net cash provided by operating activities from continuing operations		757	499	952
Net cash used in operating activities from discontinued operations		—	(5)	(74)
Net cash provided by operating activities		757	494	878
Investing activities:				
Capital expenditures		(364)	(256)	(256)
Changes in restricted cash for Wireless Group acquisition		—	315	(315)
Acquisitions, net of cash acquired		(77)	(347)	(520)
Investments in equity affiliates and other		(18)	(59)	(51)
Other investments		(33)	(39)	(54)
Proceeds from business dispositions		1	162	1
Proceeds from property, plant and equipment and other asset dispositions		137	109	41
Other		33	10	30
Net cash used in investing activities from continuing operations		(321)	(105)	(1,124)
Net cash provided by investing activities from discontinued operations		—	—	13
Net cash used in investing activities		(321)	(105)	(1,111)
Financing activities:				
Borrowings	9	95	—	342
Repayment of borrowings		(213)	(23)	—
Repurchase of shares		—	—	(41)
Dividends paid		(158)	(152)	(147)
Other, net		(122)	(42)	(4)
Net cash (used in) provided by financing activities from continuing operations		(398)	(217)	150
Net cash used in financing activities from discontinued operations		—	—	—
Net cash (used in) provided by financing activities		(398)	(217)	150
Net increase (decrease) in cash and cash equivalents		38	172	(83)
Cash and cash equivalents, beginning of year		2,016	1,832	1,951
Exchange movement on opening cash balance		(20)	12	(36)
Cash and cash equivalents, end of year		<u>\$ 2,034</u>	<u>\$2,016</u>	<u>\$ 1,832</u>

The accompanying notes are an integral part of these audited consolidated financial statements.

NEWS CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
(IN MILLIONS)

	Class A		Class B		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Total News Corporation Equity	Noncontrolling Interests	Total Equity
	Common Stock Shares	Amount	Common Stock Shares	Amount						
Balance, June 30, 2015	382	\$ 4	200	\$ 2	\$12,433	\$ 88	\$ (582)	\$11,945	\$ 171	\$12,116
Net income	—	—	—	—	—	179	—	179	71	250
Other comprehensive										
loss	—	—	—	—	—	—	(444)	(444)	(1)	(445)
Dividends	—	—	—	—	—	(118)	—	(118)	(29)	(147)
Share repurchases	(3)	—	—	—	(39)	—	—	(39)	—	(39)
Other	1	—	—	—	40	1	—	41	6	47
Balance, June 30, 2016	380	4	200	2	12,434	150	(1,026)	11,564	218	11,782
Net (loss) income	—	—	—	—	—	(738)	—	(738)	95	(643)
Other comprehensive										
income	—	—	—	—	—	—	62	62	9	71
Dividends	—	—	—	—	(58)	(60)	—	(118)	(34)	(152)
Other	2	—	—	—	19	—	—	19	(4)	15
Balance, June 30, 2017	382	4	200	2	12,395	(648)	(964)	10,789	284	11,073
Net (loss) income	—	—	—	—	—	(1,514)	—	(1,514)	70	(1,444)
Other comprehensive										
loss	—	—	—	—	—	—	90	90	(42)	48
Foxtel transaction ^(a)	—	—	—	—	—	—	—	—	914	914
Dividends	—	—	—	—	(119)	—	—	(119)	(39)	(158)
Other	1	—	—	—	46	(1)	—	45	(1)	44
Balance, June 30, 2018	383	\$ 4	200	\$ 2	\$12,322	\$(2,163)	\$ (874)	\$ 9,291	\$1,186	\$10,477

^(a) See Note 3—Acquisitions, Disposals and Other Transactions.

The accompanying notes are an integral part of these audited consolidated financial statements.

NEWS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

News Corporation (together with its subsidiaries, “News Corporation,” “News Corp,” the “Company,” “we,” or “us”) is a global diversified media and information services company comprised of businesses across a range of media, including: news and information services, book publishing, digital real estate services and subscription video services in Australia.

In April 2018, News Corp and Telstra Corporation Limited (“Telstra”) combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company, which the Company refers to as “new Foxtel” (the “Transaction”). Following the completion of the Transaction, News Corp owns a 65% interest in the combined business, with Telstra owning the remaining 35%. Consequently, the Company began consolidating Foxtel in the fourth quarter of fiscal 2018. See Note 3—Acquisitions, Disposals and Other Transactions; Note 6—Investments; Note 8—Goodwill; Note 9—Borrowings; and Note 11—Financial Instruments and Fair Value Measurements.

Basis of presentation

The accompanying consolidated financial statements of the Company, which are referred to herein as the “Consolidated Financial Statements,” have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The Company’s financial statements as of and for the fiscal years ended June 30, 2018, 2017 and 2016 are presented on a consolidated basis.

The consolidated statements of operations are referred to herein as the “Statements of Operations.” The consolidated balance sheets are referred to herein as the “Balance Sheets.” The consolidated statements of cash flows are referred to herein as the “Statements of Cash Flows.”

The Company maintains a 52-53 week fiscal year ending on the Sunday closest to June 30 in each year. Fiscal 2018, fiscal 2017 and fiscal 2016 included 52, 52 and 53 weeks, respectively. All references to the fiscal years ended June 30, 2018, 2017, and 2016 relate to the fiscal years ended July 1, 2018, July 2, 2017, and July 3, 2016, respectively. For convenience purposes, the Company continues to date its consolidated financial statements as of June 30.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The Consolidated Financial Statements include the accounts of all majority-owned and controlled subsidiaries. In addition, the Company evaluates its relationships with other entities to identify whether they are variable interest entities (“VIEs”) as defined by Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810-10, “Consolidation” (“ASC 810-10”) and whether the Company is the primary beneficiary. Consolidation is required if both of these criteria are met. All significant intercompany accounts and transactions have been eliminated in consolidation, including the intercompany portion of transactions with equity method investees.

Changes in the Company’s ownership interest in a consolidated subsidiary where a controlling financial interest is retained are accounted for as capital transactions. When the Company ceases to have a controlling interest in a consolidated subsidiary the Company will recognize a gain or loss in the Statements of Operations upon deconsolidation.

NEWS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reclassifications

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current fiscal year presentation, including inventory and current borrowings.

Use of estimates

The preparation of the Company's Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the Consolidated Financial Statements and accompanying disclosures. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and other investments that are readily convertible into cash with original maturities of three months or less. The Company's cash and cash equivalents balance as of June 30, 2018 and 2017 also includes \$86 million and \$276 million, respectively, which is not readily accessible by the Company as it is held by REA Group Limited ("REA Group"), a majority owned but separately listed public company. REA Group must declare a dividend in order for the Company to have access to its share of REA Group's cash balance.

The Company classifies cash as restricted when the cash is unavailable for use in its general operations. The Company had no restricted cash as of June 30, 2018 and 2017.

Concentration of credit risk

Cash and cash equivalents are maintained with multiple financial institutions. The Company has deposits held with banks that exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

Receivables, net

Receivables are presented net of an allowance for returns and doubtful accounts, which is an estimate of amounts that may not be collectible. In determining the allowance for returns, management analyzes historical returns, current economic trends and changes in customer demand and acceptance of the Company's products. Based on this information, management reserves a percentage of each dollar of product sales that provide the customer with the right of return. The allowance for doubtful accounts is estimated based on historical experience, receivable aging, current economic trends and specific identification of certain receivables that are at risk of not being collected.

Receivables, net consist of:

	As of June 30,	
	2018	2017
	(in millions)	
Receivables	\$1,829	\$1,484
Allowances for sales returns	(171)	(166)
Allowances for doubtful accounts	(46)	(42)
Receivables, net	\$1,612	\$1,276

NEWS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's receivables did not represent significant concentrations of credit risk as of June 30, 2018 or June 30, 2017 due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

Inventory, net

Inventory primarily consists of programming rights, books, newsprint and printing ink. Program rights are recorded at the lower of amortized cost or net realizable value. In accordance with ASC 920, "Entertainment-Broadcasters," costs incurred in acquiring program rights are capitalized and amortized over the license period or expected useful life of each program. If estimates of future cash flows are insufficient to support the carrying value or if there is no plan to broadcast certain programming, an impairment charge is recognized in the Consolidated Financial Statements.

Inventory for books, newsprint and printing ink are valued at the lower of cost or market. Cost for non-programming inventory is determined by the weighted average cost method. The Company records a reserve for excess and obsolete inventory based upon a calculation using the historical usage rates, sales patterns of its products and specifically identified obsolete inventory.

Investments

The Company makes investments in various businesses in the normal course of business. The Company evaluates its relationships with other entities to identify whether they are VIEs in accordance with ASC 810-10 and whether the Company is the primary beneficiary. In determining whether the Company is the primary beneficiary of a VIE, it assesses whether it has the power to direct matters that most significantly impact the activities of the VIE and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company would consolidate any investments in which it was determined to be the primary beneficiary of a VIE.

Investments in and advances to equity investments or joint ventures in which the Company has significant influence, but is not the primary beneficiary, and has less than a controlling voting interest, are accounted for using the equity method. Significant influence is generally presumed to exist when the Company owns an interest between 20% and 50% or when the Company has the ability to exercise significant influence. Under the equity method of accounting, the Company includes its investments and amounts due to and from its equity method investments in its Balance Sheets. The Company's Statements of Operations include the Company's share of the investees' earnings (losses) and the Company's Statements of Cash Flows include all cash received from or paid to the investee.

The difference between the Company's investment and its share of the fair value of the underlying net assets of the investee upon acquisition is first allocated to either finite-lived intangibles, indefinite-lived intangibles or other assets and liabilities and the balance is attributed to goodwill. The Company follows ASC 350, "Intangibles—Goodwill and Other" ("ASC 350"), which requires that equity method finite-lived intangibles be amortized over their estimated useful life. Such amortization is reflected in Equity (losses) earnings of affiliates in the Statements of Operations. Indefinite-lived intangibles and goodwill are not amortized.

Investments in which the Company has no significant influence (generally less than a 20% ownership interest) or does not have the ability to exercise significant influence are designated as available-for-sale investments if readily determinable market values are available. The Company reports available-for-sale investments at fair value based on quoted market prices. Unrealized gains and losses on available-for-sale investments are included

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

in Accumulated other comprehensive loss, net of applicable taxes and other adjustments, until the investment is sold or considered impaired. If an investment's fair value is not readily determinable, the Company accounts for its investment at cost.

Financial instruments and derivatives

The carrying value of the Company's financial instruments, including cash and cash equivalents, approximate fair value. The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market which are considered to be Level 2 measurements. The Company did not estimate the fair value of certain cost method investments because it was not practicable to do so.

ASC 815, "Derivatives and Hedging" ("ASC 815") requires derivative instruments to be recorded on the balance sheet at fair value as either an asset or a liability. ASC 815 also requires that changes in the fair value of recorded derivatives be recognized currently in the Statements of Operations unless specific hedge accounting criteria are met.

For derivatives that will be accounted for as hedging instruments, the Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. On an ongoing basis, the Company formally assesses whether the financial instruments used in hedging transactions continue to be effective. The ineffective portion of a financial instrument's change in fair value is immediately recognized in the Statement of Operations.

The Company determines the fair values of its derivatives using standard valuation models. The notional amounts of the derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of the Company's exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates and foreign currency exchange rates. The Company does not view the fair values of its derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions or other exposures. All of the Company's derivatives are over-the-counter instruments with liquid markets. The carrying values of the derivatives reflect the impact of master netting agreements which allow the Company to net settle positive and negative positions with the same counterparty. As the Company does not intend to settle any derivatives at their net positions, derivative instruments are presented gross in the Balance Sheets.

The Company monitors its positions with, and the credit quality of, the financial institutions which are counterparties to its financial instruments. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. As of June 30, 2018, the Company did not anticipate nonperformance by any of the counterparties.

Cash flow hedges

Cash flow hedges are used to mitigate the Company's exposure to variability in cash flows that is attributable to particular risk associated with a highly probable forecasted transaction or a recognized asset or liability which could affect income or expenses. The effective portion of the gain or loss on the hedging instrument is recognized directly in Accumulated other comprehensive income, while the ineffective portion is recognized in the Statements of Operations. Amounts recorded in Accumulated other comprehensive income are recognized in the Statements of Operations when the hedged forecasted transaction impacts income or if the forecasted transaction is no longer expected to occur.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value hedges

Fair value hedges are used to mitigate the Company's exposure to changes in the fair value of a recognized asset or liability, or an identified portion thereof that is attributable to a particular risk and could affect income or expenses. The hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. The Company records the changes in the fair value of these items in the Statements of Operations.

Economic hedges

Derivatives not designated as accounting hedge relationships are referred to as economic hedges. Economic hedges are those derivatives which the Company uses to mitigate their exposure to variability in the cash flows of a forecast transaction or the fair value of a recognized asset or liability, but which do not qualify for hedge accounting in accordance with ASC 815. The economic hedges are adjusted to fair value each period in the Statements of Operations.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of 3 to 50 years. Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the life of the lease. Costs associated with the repair and maintenance of property, plant and equipment are expensed as incurred. Changes in circumstances, such as technological advances or changes to the Company's business model or capital strategy, could result in the actual useful lives differing from the Company's estimates. In those cases where the Company determines that the useful life of buildings and equipment should be changed, the Company would depreciate the asset over its revised remaining useful life, thereby increasing or decreasing depreciation expense.

Operating leases

For operating leases, minimum lease payments, including minimum scheduled rent increases, are recognized as rent expense on a straight-line basis over the applicable lease terms. The term used for straight-line rent expense is calculated beginning on the date that the Company obtains possession of the leased premises through the expected lease termination date.

Capitalized software

In accordance with ASC 350-40 "Internal-use Software," the Company capitalizes certain costs incurred in connection with developing or obtaining internal-use software. Costs incurred in the preliminary project stage are expensed. All direct costs incurred to develop internal-use software during the development stage are capitalized and amortized using the straight-line method over the estimated useful life, generally 2 to 10 years. Costs such as maintenance and training are expensed as incurred. Research and development costs are also expensed as incurred.

Royalty advances to authors

Royalty advances are initially capitalized and subsequently expensed as related revenues are earned or when the Company determines future recovery is not probable. The Company has a long history of providing authors with royalty advances, and it tracks each advance earned with respect to the sale of the related publication. Historically, the longer the unearned portion of the advance remains outstanding, the less likely it is that the

NEWS CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company will recover the advance through the sale of the publication. The Company applies this historical experience to its existing outstanding royalty advances to estimate the likelihood of recovery and a provision is established to write-off the unearned advance, usually between 6 and 12 months after publication. Additionally, the Company reviews its portfolio of royalty advances for unpublished titles to determine if individual royalty advances are not recoverable for discrete reasons, such as the death of an author prior to completion of a title or titles, a Company decision to not publish a title, poor market demand or other relevant factors that could impact recoverability. Based on this information, the portion of any advance that the Company believes is not recoverable is expensed.

Goodwill and intangible assets

The Company has goodwill and intangible assets, including trademarks and tradenames, newspaper mastheads, distribution networks, publishing imprints, radio broadcast licenses, publishing rights and customer relationships. Goodwill is recorded as the difference between the cost of acquiring entities or businesses and amounts assigned to their tangible and identifiable intangible net assets. In accordance with ASC 350, the Company's goodwill and indefinite-lived intangible assets are tested annually during the fourth quarter for impairment or earlier if events occur or circumstances change that would more likely than not reduce the fair values below their carrying amounts. Intangible assets with finite lives are amortized over their estimated useful lives.

Goodwill is reviewed for impairment at a reporting unit level. Reporting units are determined based on an evaluation of the Company's operating segments and the components making up those operating segments. For purposes of its goodwill impairment review, the Company has identified Dow Jones, the Australian newspapers, the U.K. newspapers, News America Marketing, Unruly Holdings Limited ("Unruly"), Storyful Limited ("Storyful"), Wireless Group plc ("Wireless Group"), new Foxtel, Australia News Channel Pty Ltd ("ANC"), HarperCollins, REA Group and Move, Inc. ("Move"), as its reporting units. During the third quarter of fiscal 2017, the Company early adopted ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04") which eliminates Step 2 from the goodwill impairment test and instead requires an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

Under ASU 2017-04, in assessing goodwill for impairment, the Company has the option to first perform a qualitative assessment to determine whether events or circumstances exist that lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company is not required to perform any additional tests in assessing goodwill for impairment. However, if the Company concludes otherwise or elects not to perform the qualitative assessment, then it is required to perform a quantitative analysis to determine the fair value of the business, and compare the calculated fair value of a reporting unit with its carrying amount, including goodwill. If through a quantitative analysis the Company determines the fair value of a reporting unit exceeds its carrying amount, the goodwill of the reporting unit is considered not to be impaired. If the Company concludes that the fair value of the reporting unit is less than its carrying value, an impairment will be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value.

The Company also performs impairment reviews on its indefinite-lived intangible assets, including trademarks and tradenames, newspaper mastheads, distribution networks, publishing imprints and radio broadcast licenses. Newspaper mastheads and book publishing imprints are reviewed on an aggregated basis in accordance with ASC 350. Distribution networks, trademarks and tradenames and radio broadcast licenses are reviewed

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individually. In assessing its indefinite-lived intangible assets for impairment, the Company has the option to first perform a qualitative assessment to determine whether events or circumstances exist that lead to a determination that it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If the Company determines that it is not more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, the Company is not required to perform any additional tests in assessing the asset for impairment. However, if the Company concludes otherwise or elects not to perform the qualitative assessment, then it is required to perform a quantitative analysis to determine if the fair value of an indefinite-lived intangible asset is less than its carrying value. If through a quantitative analysis the Company determines the fair value of an indefinite-lived intangible asset exceeds its carrying amount, the indefinite-lived intangible asset is considered not to be impaired. If the Company concludes that the fair value of an indefinite-lived intangible asset is less than its carrying value, an impairment will be recognized for the amount by which the carrying amount exceeds the indefinite-lived intangible asset's fair value.

The methods used to estimate the fair value measurements of the Company's reporting units and indefinite-lived intangible assets include those based on the income approach (including the discounted cash flow, relief-from-royalty and excess earnings methods) and those based on the market approach (primarily the guideline public company method). The resulting fair value measurements of the assets are considered to be Level 3 measurements. Determining fair value requires the exercise of significant judgments, including judgments about appropriate discount rates, long-term growth rates, relevant comparable company earnings multiples and the amount and timing of expected future cash flows. The cash flows employed in the analyses are based on the Company's estimated outlook and various growth rates are assumed for years beyond the long-term business plan period. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the respective reporting units. In assessing the reasonableness of its determined fair values, the Company evaluates its results against other value indicators, such as comparable public company trading values.

When a business within a reporting unit is disposed of, goodwill is allocated to the disposed business using the relative fair value method.

Borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received. Transaction costs are recorded within current borrowings (current portion) and non-current borrowings (long-term portion) in the Consolidated Balance Sheets. They are subsequently recognized at amortized cost using the effective interest method. Debt may be considered extinguished when it has been modified and the terms of the new debt instruments and old debt instruments are substantially different, as that term is defined in the debt modification guidance in ASC 470-50 "Debt—Modifications and Extinguishments". The Company classifies the current portion of long term debt as non-current liabilities on the Balance Sheets when it has the intent and ability to refinance the obligation on a long-term basis, in accordance with ASC 470-50 "Debt."

Retirement benefit obligations

The Company provides defined benefit pension, postretirement healthcare and defined contribution benefits to the Company's eligible employees and retirees. The Company accounts for its defined benefit pension, postretirement healthcare and defined contribution plans in accordance with ASC 715, "Compensation—Retirement Benefits" ("ASC 715"). The expense recognized by the Company is determined using certain assumptions, including the discount rate, expected long-term rate of return of pension assets and mortality rates, among others. The Company recognizes the funded status of its defined benefit plans (other than multiemployer plans) as an asset or liability in the Balance Sheets and recognizes changes in the funded status in the year in which the changes occur through Accumulated other comprehensive loss in the Balance Sheets.

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Fair value measurements

The Company has various financial instruments that are measured at fair value on a recurring basis, including certain marketable securities and derivatives. The Company also applies the provisions of fair value measurement to various non-recurring measurements for the Company's non-financial assets and liabilities. With the exception of investments measured using the net asset value per share practical expedient prescribed in ASU 2015-07, the Company measures assets and liabilities in accordance with ASC 820, "Fair Value Measurements" ("ASC 820"), using inputs from the following three levels of the fair value hierarchy: (i) inputs that are quoted prices in active markets for identical assets or liabilities ("Level 1"); (ii) inputs other than quoted prices included within Level 1 that are observable, including quoted prices for similar assets or liabilities ("Level 2"); and (iii) unobservable inputs that require the entity to use its own best estimates about market participant assumptions ("Level 3").

The Company's assets measured at fair value on a nonrecurring basis include investments, long-lived assets, indefinite-lived intangible assets and goodwill. The Company reviews the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually as of June 30 for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurements of the assets are considered to be Level 3 measurements.

Asset impairments

Investments

Equity method investments are regularly reviewed to determine whether a significant event or change in circumstances has occurred that may impact the fair value of each investment. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline in market value has occurred, including the length of time and extent to which the market value has been below cost, the financial condition and near-term prospects of the issuer, the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value and other factors influencing the fair market value, such as general market conditions.

The Company regularly reviews available-for-sale investment securities for other-than-temporary impairment based on criteria that include the extent to which the investment's carrying value exceeds its related market value, the duration of the market decline, the Company's ability to hold until recovery and the financial strength and specific prospects of the issuer of the security.

The Company regularly reviews investments accounted for at cost for other-than-temporary impairment based on criteria that include the extent to which the investment's carrying value exceeds its related estimated fair value, the duration of the estimated fair value decline, the Company's ability to hold until recovery and the financial strength and specific prospects of the issuer of the security.

Long-lived assets

ASC 360, "Property, Plant, and Equipment" ("ASC 360") and ASC 350 require the Company to periodically review the carrying amounts of its long-lived assets, including property, plant and equipment and finite-lived intangible assets, to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment adjustment is recognized if the carrying value of such asset exceeds its

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fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of assets, accordingly, actual results could vary significantly from such estimates. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value, less their costs to sell.

Treasury Stock

The Company accounts for treasury stock using the cost method. Upon the retirement of treasury stock, the Company allocates the value of treasury shares between common stock, additional paid-in capital and retained earnings. All shares repurchased to date have been retired.

Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product or service has been delivered and collectability is reasonably assured. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.

News and Information Services

Advertising revenues are recognized in the period when advertising is printed, broadcast or placed on digital platforms, net of commissions and provisions for estimated sales incentives including rebates, rate adjustments and discounts. Advertising revenues from integrated marketing services are recognized when free-standing inserts are published or over the time period in which in-store marketing services are performed. Billings to clients and payments received in advance of the performance of services or delivery of products are recorded as deferred revenue until the services are performed or the product is delivered.

Circulation and information services revenues include single-copy and subscription revenues. Circulation revenues are based on the number of copies of the printed newspaper (through home-delivery subscriptions and single-copy sales) and digital subscriptions sold and the rates charged to the respective customers. Single-copy revenue is recognized based on date of publication, net of provisions for related returns. Proceeds from print and digital information services subscription revenues are deferred at the time of sale and are recognized in earnings on a pro rata basis over the terms of the subscriptions.

Other revenues are recognized when the related services are performed or the product has been delivered.

Book Publishing

Revenue from the sale of books for distribution in the retail channel is primarily recognized upon passing of control to the buyer, net of provisions for returns. Revenue for electronic books (“e-books”), which is the net amount received from the retailer, is generally recognized upon electronic delivery to the customer by the retailer. Revenue is reported net of any amounts billed to customers for taxes which are remitted to government authorities.

Digital Real Estate Services

Real estate revenues are derived from the sale of online real estate listing products and services to agents, brokers and developers. Revenues are recognized on the fulfillment of customer service obligations, which may include product performance and/or product service periods.

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Advertising revenues are recognized in the period when advertising is placed on digital platforms, net of commissions and provisions for estimated sales incentives including rebates, rate adjustments and discounts.

Subscription revenues from licensing of advanced reporting products are typically recognized ratably over the service period of the related subscription.

Subscription Video Services

Subscriber revenue is primarily earned from pay television broadcast services. Revenue is recognized in the period that the services are provided. Non-refundable subscriptions billed before the underlying service is provided to the customer are recorded as deferred revenue in the Consolidated Balance Sheets. This revenue is then recognized over the service period. Advertising revenues are recognized, net of agency commissions, in the period that the advertisements are aired.

Prior to the completion of the Transaction, affiliate fees received from cable television systems, direct broadcast satellite operators and other distribution systems were recognized as revenue in the period that services were provided.

Multiple element arrangements

Revenues derived from a single sales contract that contains multiple products and services are allocated based on the relative fair value of each item to be delivered and recognized in accordance with the applicable revenue recognition criteria for the specific unit of accounting.

Gross versus net revenue recognition

In the normal course of business, the Company acts as or uses an intermediary or agent in executing transactions with third parties. In connection with these arrangements, the Company must determine whether to report revenue based on the gross amount billed to the ultimate customer or on the net amount received from the customer after commissions and other payments to third parties.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Company is acting as the principal or an agent in the transaction. If the Company is acting as a principal in a transaction, the Company reports revenue on a gross basis. If the Company is acting as an agent in a transaction, the Company reports revenue on a net basis. The determination of whether the Company is acting as a principal or an agent in a transaction involves judgment and is based on an evaluation of the terms of the arrangement. The Company serves as the principal in transactions in which it has substantial risks and rewards of ownership.

Subscriber acquisition costs

Costs related to the acquisition of subscription video service customers primarily consist of amounts paid for third-party customer acquisitions, which consist of the cost of commissions paid to authorized retailers and dealers for subscribers added through their respective distribution channels and the cost of hardware and installation subsidies for subscribers. All costs, including hardware, installation and commissions, are expensed upon activation, except where legal ownership of the equipment is retained, in which case the cost of the equipment and direct and indirect installation costs are capitalized and depreciated over the respective useful life.

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Barter transactions

The Company enters into transactions that involve the exchange of advertising, in part, for other products and services, which are recorded at the lesser of estimated fair value of the advertising given or product or service received in accordance with the provisions of ASC 605-20-25, “Advertising Barter Transactions.” Revenue from barter transactions is recognized when advertising is provided, and expenses are recognized when products are received or services are incurred.

Sales returns

Consistent with industry practice, certain of the Company’s products, such as books and newspapers, are sold with the right of return. The Company records, as a reduction of revenue, the estimated impact of such returns. In determining the estimate of product sales that will be returned, management analyzes historical returns, current economic trends, changes in customer demand and acceptance of the Company’s products. Based on this information, management reserves a percentage of each dollar of product sales that provide the customer with the right of return.

Advertising expenses

The Company expenses advertising costs as incurred in accordance with ASC 720-35, “Other Expenses—Advertising Cost.” Advertising and promotional expenses recognized totaled \$663 million, \$587 million and \$607 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

Shipping and handling

Costs incurred for shipping and handling are reflected in Operating expenses in the Statements of Operations.

Translation of foreign currencies

The financial results and position of foreign subsidiaries and affiliates are translated into U.S. dollars using the current rate method, whereby operating results are converted at the average rate of exchange for the period and assets and liabilities are converted at the closing rates on the period end date. The resulting translation adjustments are accumulated as a component of Accumulated other comprehensive loss. Gains and losses from foreign currency transactions are generally included in income for the period.

Income taxes

The Company accounts for income taxes in accordance with ASC 740, “Income Taxes” (“ASC 740”). ASC 740 requires an asset and liability approach for financial accounting and reporting for income taxes. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Valuation allowances are established where management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company recognizes interest and penalty charges related to unrecognized tax benefits as income tax expense.

The Company has not provided taxes on undistributed earnings attributable to certain foreign subsidiaries. It is the Company’s intention to reinvest in these subsidiaries indefinitely as the Company does not anticipate the need to repatriate funds to satisfy domestic liquidity needs. An actual repatriation from these subsidiaries could be subject to foreign withholding taxes and U.S. state taxes. Calculation of the unrecognized tax liabilities is not practicable.

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Following the enactment of the Tax Act (See Note 19—Income Taxes), the Company has elected to account for the tax on GILTI as a period cost and thus has not adjusted any net deferred tax assets of its foreign subsidiaries for the new tax. However, the Company has considered the potential impact of GILTI and BEAT on its U.S. federal net operating loss (“NOL”) carryforward and determined that the projected tax benefit to be received from its NOL carryforward may be reduced due to these provisions. As such, the Company has recorded a valuation allowance on its U.S. federal NOL carryforward for the reduction in the projected tax benefit upon utilization.

Earnings (loss) per share

Basic earnings (loss) per share for Class A Common Stock and Class B Common Stock is calculated by dividing Net income (loss) available to News Corporation stockholders by the weighted average number of shares of Class A Common Stock and Class B Common Stock outstanding. Diluted earnings (loss) per share for Class A Common Stock and Class B Common Stock is calculated similarly, except that the calculation includes the dilutive effect of the assumed issuance of shares issuable under the Company’s equity-based compensation plans. See Note 14—Earnings (Loss) Per Share.

Equity-based compensation

Equity-based awards are accounted for in accordance with ASC 718, “Compensation—Stock Compensation” (“ASC 718”). ASC 718 requires that the cost resulting from all share-based payment transactions be recognized in the Consolidated Financial Statements. ASC 718 establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all companies to apply a fair-value-based measurement method in accounting for generally all share-based payment transactions with employees.

Recently Issued Accounting Pronouncements

Adopted

In March 2016, the issued Accounting Standards Update (“ASU”) 2016-09, “Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting” (“ASU 2016-09”). The amendments in ASU 2016-09 address several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for the Company for annual and interim reporting periods beginning July 1, 2017. The adoption did not have a material impact on the Company’s consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, “Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory” (“ASU 2016-16”). The amendments in ASU 2016-16 require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in ASU 2016-16 eliminate the exception for an intra-entity transfer of an asset other than inventory. As permitted by ASU 2016-16, the Company early-adopted this standard on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings to reduce complexity in financial reporting. The adjustment did not have a material impact on the Company’s consolidated financial statements.

In March 2018, the FASB issued ASU 2018-05—Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (“ASU 2018-05”). ASU 2018-05 provides guidance for companies related to the U.S. government-enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). ASU 2018-05 allows for a measurement period of up to one year after the enactment date of the Tax Act to finalize the recording of the related tax impacts. The Company’s accounting for the tax effects of the Tax Act will be completed during this measurement period.

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Issued

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”). ASU 2014-09 removes inconsistencies and differences in existing revenue recognition requirements between GAAP and International Financial Reporting Standards and requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, delaying the effective date for adoption. ASU 2014-09 is now effective for interim and annual reporting periods beginning after July 1, 2018, however, early adoption is permitted. Once effective, the Company can elect to apply ASU 2014-09 retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initial adoption recognized at the date of initial application. The Company has determined that it will adopt ASU 2014-09 using a modified retrospective approach.

The FASB has also issued several standards which provide additional clarification and implementation guidance on the previously issued ASU 2014-09 and have the same effective date as the original standard.

The Company is working to finalize its evaluation of the impact of ASU 2014-09 on its consolidated financial statements, however based on the preliminary conclusions reached to date, the Company believes the adoption of ASU 2014-09 will not have a material impact. The Company’s implementation team, including external advisers, continues to finalize the Company’s assessment of ASU 2014-09 across its various business units and geographies. In addition, the Company is still in the process of finalizing the assessment of the adoption of the new standard with Foxtel, following the consolidation of the business in the fourth quarter of fiscal 2018 (See Note 3—Acquisitions, Disposals and Other Transactions). Discussions regarding changes to the Company’s current accounting policies and practices remain ongoing and preliminary conclusions are subject to change. Based on the current guidance, the new framework will become effective on a modified retrospective basis for the Company on July 1, 2018.

In January 2016, the FASB issued ASU 2016-01, “Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU 2016-01”). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. As of June 30, 2018, the Company had \$93 million in available-for-sale securities with net unrealized gains of \$16 million and \$127 million in cost method investments. In accordance with ASU 2016-01, the cumulative net unrealized gains (losses) contained within Accumulated other comprehensive loss will be reclassified through Retained earnings as of July 1, 2018, and changes in the fair value of available-for-sale securities will be recorded in the Company’s Statement of Operations beginning July 1, 2018. The Company is evaluating the impact ASU 2016-01 may have on its cost method investments.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). The amendments in ASU 2016-02 address certain aspects in lease accounting, with the most significant impact for lessees. The amendments in ASU 2016-02 require lessees to recognize all leases on the balance sheet by recording a right-of-use asset and a lease liability, and lessor accounting has been updated to align with the new requirements for lessees. The new standard also provides changes to the existing sale-leaseback guidance. ASU 2016-02 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2016-02 will have on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”). The amendments in ASU 2016-13 require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount

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expected to be collected. ASU 2016-13 is effective for the Company for annual and interim reporting periods beginning July 1, 2020. The Company is currently evaluating the impact ASU 2016-13 will have on its consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, “Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost” (“ASU 2017-07”). The amendments in ASU 2017-07 require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost as defined in paragraphs 715-30-35-4 and 715-60-35-9 are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of net benefit cost must be disclosed. ASU 2017-07 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company does not expect the adoption of ASU 2017-07 to have a significant impact on its consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities” (“ASU 2017-12”). The amendments in ASU 2017-12 more closely align the results of cash flow and fair value hedge accounting with risk management activities through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results in the financial statements. The amendments address specific limitations in current GAAP by expanding hedge accounting for both nonfinancial and financial risk components and by refining the measurement of hedge results to better reflect an entity’s hedging strategies. ASU 2017-12 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2017-12 will have on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, “Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“ASU 2018-02”). The amendments provide a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statement users. ASU 2018-02 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2018-02 will have on its consolidated financial statements.

NOTE 3. ACQUISITIONS, DISPOSALS AND OTHER TRANSACTIONS

Fiscal 2018

Hometrack Australia Pty Ltd

In June 2018, REA Group acquired Hometrack Australia Pty Ltd (“Hometrack Australia”) for A\$130 million (approximately \$100 million) in cash, which was funded with a mix of cash on hand and debt of A\$70 million (approximately \$53 million). Hometrack Australia is a provider of property data services to the financial sector and allows REA Group to deliver more property data and insights to its customers. Under the acquisition method of accounting, the total consideration is allocated to net tangible assets and identifiable intangible assets based upon the fair value as of the date of completion of the acquisition. The excess of the total consideration over the fair value of the net tangible assets and identifiable intangible assets acquired was recorded as goodwill. The

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Company recorded approximately \$25 million of intangible assets consisting of technology, primarily associated with the Hometrack.com website, and customer relationships which have useful lives of 8 years and 15 years, respectively. The Company recorded approximately \$74 million of goodwill on the transaction. Hometrack Australia is a subsidiary of REA Group and its results are included within the Digital Real Estate Services segment. The values assigned to the acquired assets and liabilities are based on estimates of fair value available as of the date of this filing and will be adjusted upon completion of final valuations of certain assets and liabilities. Any changes in these fair values could potentially result in an adjustment to the goodwill recorded for this transaction.

New Foxtel

In April 2018, News Corp and Telstra combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company (the “Transaction”). Following the completion of the Transaction, News Corp owns a 65% interest in the combined business, with Telstra owning the remaining 35%. Consequently, the Company began consolidating Foxtel in the fourth quarter of fiscal 2018. The combination allows Foxtel and FOX SPORTS Australia to leverage their media platforms and content to improve services for consumers and advertisers. The results of new Foxtel are reported within the Subscription Video Services segment (formerly the Cable Network Programming segment), and new Foxtel is considered a separate reporting unit for purposes of the Company’s annual goodwill impairment review.

The Transaction was accounted for in accordance with ASC 805 “Business Combinations” (“ASC 805”) which requires the Company to re-measure its previously held equity interest in Foxtel at its Transaction completion date fair value. The carrying amount of the Company’s previously held equity interest in Foxtel was equal to its fair value as of the Transaction completion date, as the Company wrote its investment in Foxtel down to fair value during the third quarter of fiscal 2018. In accordance with ASC 805, as the Company did not relinquish control of its investment in FOX SPORTS Australia, the reduction in the Company’s ownership interest to 65% was accounted for as a common control transaction on a carryover basis. See Note 6—Investments.

The total aggregate purchase price associated with the Transaction at the completion date is set forth below (in millions):

Consideration transferred ^(a)	\$ 331
Fair value of News Corp previously held equity interest in Foxtel	631
Fair value of noncontrolling interest ^(b)	<u>578</u>
Fair value of net assets	<u>\$1,540</u>

- a) Primarily represents the fair value of 35% of FOX SPORTS Australia exchanged as consideration in the Transaction and has been included in noncontrolling interest
- b) Primarily represents the fair value of 35% of Foxtel, which includes the impact of certain market participant synergies

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Under the acquisition method of accounting, the aggregate purchase price, based on a valuation of 100% of Foxtel, was allocated to net tangible and intangible assets based upon their fair value as of the date of completion of the Transaction. The excess of the aggregate purchase price over the fair value of the net tangible and intangible assets acquired was recorded as goodwill. The allocation is as follows (in millions):

Assets acquired:	
Cash	\$ 78
Current assets	526
Property, plant and equipment	967
Intangible assets	868
Goodwill	1,574
Other non-current assets	<u>292</u>
Total assets acquired	<u>\$4,305</u>
Liabilities assumed:	
Current liabilities	\$ 609
Long-term borrowings	1,751
Other non-current liabilities	<u>405</u>
Total liabilities assumed	<u>2,765</u>
Net assets acquired	<u>\$1,540</u>

As a result of the Transaction, the Company recorded tangible assets of approximately \$849 million, excluding long-term borrowings, primarily consisting of property, plant and equipment which mainly relate to digital set top units and installations and technical equipment, as well as accounts receivable, inventory, accounts payable and accruals at their estimated fair values at the completion date of the Transaction. The Company recorded outstanding borrowings of approximately \$1.8 billion, as a result of the Transaction. See Note 9—Borrowings.

In addition, the Company recorded approximately \$0.9 billion of intangible assets of which \$468 million has been allocated to subscriber relationships with a weighted-average useful life of 10 years, \$277 million has been allocated to the tradenames which has an indefinite life and approximately \$123 million has been allocated to advertiser relationships with a weighted-average useful life of 15 years. In accordance with ASC 350, the excess of the purchase price over the fair values of the net tangible and intangible assets of approximately \$1.6 billion was recorded as goodwill on the transaction. The values assigned to the acquired assets and liabilities are based on estimates of fair value available as of the date of this filing and will be adjusted upon completion of final valuations of certain assets and liabilities. Any changes in these fair values could potentially result in an adjustment to the goodwill recorded for this transaction.

As a result of the Transaction, the Company recognized a \$337 million loss in Other, net, primarily related to the Company's settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia which resulted in a \$317 million write-off of its channel distribution agreement intangible asset at the time of the Transaction.

Smartline Home Loans Pty Limited

In July 2017, REA Group acquired an 80.3% interest in Smartline Home Loans Pty Limited (“Smartline”) for approximately A\$70 million in cash (approximately \$55 million). The minority shareholders have the option to sell the remaining 19.7% interest to REA Group beginning three years after closing at a price dependent on the

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financial performance of Smartline. If the option is not exercised, the minority interest will become mandatorily redeemable four years after closing. As a result, REA Group recognized a liability of \$12 million in the three months ended September 30, 2017 for the present value of the amount expected to be paid for the remaining interest based on the formula specified in the acquisition agreement. Smartline is one of Australia's premier mortgage broking franchise groups, and the acquisition provides REA Group's financial services business with greater scale and capability. Under the acquisition method of accounting, the total consideration is allocated to net tangible assets and identifiable intangible assets based upon the fair value as of the date of completion of the acquisition. The excess of the total consideration over the fair value of the net tangible assets and identifiable intangible assets acquired was recorded as goodwill. The acquired intangible assets of approximately \$19 million primarily relate to customer relationships which have a useful life of 16 years. The Company recorded approximately \$49 million of goodwill on the transaction. Smartline is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment.

Fiscal 2017

Wireless Group plc

In September 2016, the Company completed its acquisition of Wireless Group for a purchase price of 315 pence per share in cash, or approximately £220 million (approximately \$285 million) in the aggregate, plus \$23 million of assumed debt which was repaid subsequent to closing. Wireless Group operates talkSPORT, the leading sports radio network in the U.K., and a portfolio of radio stations in the U.K. and Ireland. The acquisition broadens the Company's range of services in the U.K., Ireland and internationally, and the Company continues to closely align Wireless Group's operations with those of *The Sun* and *The Times*. The Company utilized the restricted cash which was specifically set aside at June 30, 2016 for purposes of funding the acquisition and therefore the Company had no restricted cash as of June 30, 2017.

The total transaction value for the Wireless Group acquisition is set forth below (in millions):

Cash paid for Wireless Group equity	\$285
Plus: Assumed debt	<u>23</u>
Total transaction value	<u>\$308</u>

Under the acquisition method of accounting, the total consideration is allocated to net tangible and intangible assets based upon the fair value as of the date of completion of the acquisition. The excess of the total consideration over the fair value of the net tangible and intangible assets acquired was recorded as goodwill. The allocation is as follows (in millions):

Assets Acquired:	
Intangible assets	\$220
Goodwill	115
Net liabilities	<u>(50)</u>
Total net assets acquired	<u>\$285</u>

The acquired intangible assets primarily relate to broadcast licenses, which have a fair value of approximately \$185 million, tradenames, which have a fair value of approximately \$27 million, and customer relationships with a fair value of approximately \$8 million. The broadcast licenses and tradenames have indefinite lives and the customer relationships are being amortized over a weighted-average useful life of approximately 6 years. Wireless Group's results are included within the News and Information Services segment, and it is considered a separate reporting unit for purposes of the Company's annual goodwill impairment review.

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REA Group European Business

In December 2016, REA Group, in which the Company holds a 61.6% interest, sold its European business for approximately \$140 million (approximately €133 million) in cash, which resulted in a pre-tax gain of \$107 million for the fiscal year ended June 30, 2017. The sale allows REA Group to focus on its core businesses in Australia and Asia.

In addition to the acquisitions noted above and the investments referenced in Note 6—Investments, the Company used \$62 million of cash for additional acquisitions during fiscal 2017, primarily consisting of Australian Regional Media (“ARM”). ARM’s results are included within the News and Information Services segment.

Fiscal 2016

Unruly Holdings Limited

On September 30, 2015, the Company acquired Unruly for approximately £60 million (approximately \$90 million) in cash and up to £56 million (approximately \$86 million) in future cash consideration related to payments primarily contingent upon the achievement of certain performance objectives. As a result of the acquisition, the Company recognized a liability of approximately \$40 million related to the contingent consideration. The fair value of the contingent consideration was estimated by applying a probability-weighted income approach. In accordance with ASC 350, \$43 million of the purchase price was allocated to acquired technology with a weighted-average useful life of 7 years, \$21 million was allocated to customer relationships and tradenames with a weighted-average useful life of 6 years and \$68 million was allocated to goodwill. Unruly is a global video advertising marketplace that is focused on delivering branded video advertising across websites and mobile devices. Unruly’s results are included within the News and Information Services segment, and it is considered a separate reporting unit for purposes of the Company’s annual goodwill impairment review.

iProperty Group Limited

In February 2016, REA Group increased its investment in iProperty Group Limited (“iProperty”) from 22.7% to approximately 86.9% for A\$482 million in cash (approximately \$340 million). The remaining 13.1% interest was mandatorily redeemable during fiscal 2018. As a result, the Company recognized a liability of approximately \$76 million at the time of acquisition, which reflected the present value of the amount expected to be paid for the remaining interest based on the formula specified in the acquisition agreement. The acquisition was funded primarily with the proceeds from borrowings under an unsecured syndicated revolving loan facility (the “REA Facility”). See Note 9—Borrowings. The acquisition of iProperty extends REA Group’s market leading business in Australia to attractive markets throughout Southeast Asia. iProperty is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment.

In accordance with ASC 805, REA Group recognized a gain of \$29 million resulting from the revaluation of its previously held equity interest in iProperty in Other, net in the Statement of Operations for the fiscal year ended June 30, 2016. The total fair value of iProperty at the acquisition date is set forth below (in millions):

Cash paid for iProperty equity	\$340
Deferred consideration	76
Total consideration	<u>416</u>
Fair value of previously held iProperty investment	<u>120</u>
Total fair value	<u><u>\$536</u></u>

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Under the acquisition method of accounting, the total consideration was allocated to net tangible and intangible assets based upon the fair value as of the date of completion of the acquisition. The excess of the total consideration over the fair value of the net tangible and intangible assets acquired was recorded as goodwill. The allocation is as follows (in millions):

Assets Acquired:	
Goodwill	\$498
Intangible assets	72
Net liabilities	<u>(34)</u>
Net assets acquired	<u>\$536</u>

The acquired intangible assets primarily relate to tradenames which have an indefinite life.

In addition to the acquisitions noted above, the Company used \$90 million of cash for additional acquisitions during fiscal 2016, primarily consisting of DIAKRIT, Flatmates.com.au Pty Ltd (“Flatmates”) and Checkout 51 Mobile Apps ULC (“Checkout 51”). DIAKRIT and Flatmates’ results are included within the Digital Real Estate Services segment. Checkout 51’s results are included within the News and Information Services segment.

NOTE 4. DISCONTINUED OPERATIONS

During the first quarter of fiscal 2016, management approved a plan to dispose of the Company’s digital education business. As a result of the plan and the discontinuation of further significant business activities in the Digital Education segment, the assets and liabilities of this segment were classified as held for sale and the results of operations have been classified as discontinued operations for all periods presented in accordance with ASC 205-20, “Discontinued Operations.”

In the first quarter of fiscal 2016, the Company recognized a pre-tax non-cash impairment charge of \$76 million reflecting a write down of the digital education business to its fair value less costs to sell. The Company completed the sale of the Amplify Insight and Amplify Learning businesses on September 30, 2015 and incurred approximately \$17 million in severance and lease termination costs in conjunction with the sale. These amounts are included in Loss before income tax benefit in the table below for the fiscal year ended June 30, 2016. Additionally, during the first quarter of fiscal 2016, the Company recognized a tax benefit of \$144 million upon reclassification of the Digital Education segment to discontinued operations. This amount is included in Income tax benefit in the table below for the fiscal year ended June 30, 2016.

The following table summarizes the results of operations from the discontinued segment:

	For the fiscal years ended June 30,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(in millions)		
Revenues	\$ —	\$ —	\$ 27
Loss before income tax benefit	—	—	(159)
Income tax benefit	—	—	<u>174</u>
Income from discontinued operations, net of tax	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15</u>

NOTE 5. RESTRUCTURING PROGRAMS

The Company recorded restructuring charges of \$71 million, \$142 million and \$89 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively, of which \$58 million, \$133 million and \$79 million related to

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the News and Information Services segment, respectively. The restructuring charges recorded in fiscal 2018, 2017 and 2016 were primarily for employee termination benefits.

Changes in the restructuring program liabilities were as follows:

	<u>One-time employee termination benefits</u>	<u>Facility related costs</u>	<u>Other costs</u>	<u>Total</u>
	(in millions)			
Balance, June 30, 2015	\$ 47	\$ 5	\$ 6	\$ 58
Additions	86	1	2	89
Payments	(95)	(1)	—	(96)
Other	(5)	—	(2)	(7)
Balance, June 30, 2016	\$ 33	\$ 5	\$ 6	\$ 44
Additions	137	—	5	142
Payments	(135)	(1)	(1)	(137)
Other	(2)	2	—	—
Balance, June 30, 2017	\$ 33	\$ 6	\$10	\$ 49
Additions	69	—	2	71
Payments	(73)	(2)	(1)	(76)
Other	—	(2)	—	(2)
Balance, June 30, 2018	<u>\$ 29</u>	<u>\$ 2</u>	<u>\$11</u>	<u>\$ 42</u>

As of June 30, 2018, restructuring liabilities of approximately \$31 million were included in the Balance Sheet in Other current liabilities and \$11 million were included in Other non-current liabilities.

NOTE 6. INVESTMENTS

The Company's investments were comprised of the following:

	<u>Ownership Percentage as of June 30, 2018</u>	<u>As of June 30,</u>	
		<u>2018</u>	<u>2017</u>
		(in millions)	
Equity method investments:			
Foxtel ^(a)	65%	\$ —	\$1,208
Other equity method investments ^(b)	various	173	133
Loan receivable from Foxtel ^(a)	N/A	—	370
Available-for-sale securities ^(c)	various	93	97
Cost method investments ^(d)	various	127	219
Total Investments		<u>\$ 393</u>	<u>\$2,027</u>

^(a) Following completion of the Transaction in April 2018, News Corp owns a 65% interest in new Foxtel, and Telstra owns the remaining 35%. Consequently, the Company ceased accounting for Foxtel as an equity method investment and began consolidating its results in the fourth quarter of fiscal 2018. See Note 3—Acquisitions, Disposals and Other Transactions.

In May 2012, Foxtel purchased Austar United Communications Ltd. The transaction was funded by Foxtel bank debt and pro rata capital contributions made by Foxtel shareholders in the form of subordinated

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shareholder notes based on their respective ownership interests. The Company's share of the subordinated shareholder notes was approximately A\$481 million (\$370 million) as of June 30, 2017. During the three months ended September 30, 2017, Foxtel's shareholders made pro-rata capital contributions to Foxtel by way of promissory notes. The Company's share of the capital contributions was A\$494 million (\$388 million) at September 28, 2017, and the Company's investment in Foxtel increased by this amount. Foxtel utilized the shareholders' capital contributions to repay its subordinated shareholder notes and interest accrued in the three months ended September 30, 2017. As a result, such notes were considered to be repaid as of September 30, 2017.

- (b) Other equity method investments are primarily comprised of Elara Technologies Pte. Ltd., which operates PropTiger.com, Makaan.com and Housing.com and new Foxtel's investment in Nickelodeon Australia Joint Venture.
- (c) Available-for-sale securities are primarily comprised of the Company's investment in HT&E Limited, which operates a portfolio of Australian radio and outdoor media assets.
- (d) Cost method investments are primarily comprised of certain investments in China as of June 30, 2018. During the third quarter of fiscal 2018, the Company sold its investment in SEEKAsia Limited for \$122 million in cash and recognized a \$32 million gain in Other, net. See Note 21—Additional Financial Information.

The Company measures the fair market values of available-for-sale securities as Level 1 financial instruments under ASC 820 as such investments have quoted prices in active markets. The cost basis, unrealized gains, unrealized losses and fair market value of available-for-sale securities are set forth below:

	<u>As of</u> <u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
	<u>(in millions)</u>	
Cost basis of available-for-sale securities	\$77	\$99
Accumulated gross unrealized gain	16	—
Accumulated gross unrealized loss	—	(2)
Fair value of available-for-sale securities	<u>\$93</u>	<u>\$97</u>
Net deferred tax asset	<u>\$—</u>	<u>\$(1)</u>

Equity (Losses) Earnings of Affiliates

The Company's share of the (losses) earnings of its equity affiliates was as follows:

	<u>For the fiscal years ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>(in millions)</u>		
Foxtel ^(a)	\$ (974)	\$(265)	\$38
Other equity affiliates, net ^(b)	<u>(32)</u>	<u>(30)</u>	<u>(8)</u>
Total Equity (losses) earnings of affiliates	<u>\$(1,006)</u>	<u>\$(295)</u>	<u>\$30</u>

- (a) During the third quarter of fiscal 2018, the Company recognized a \$957 million non-cash write-down of the carrying value of its investment in Foxtel. The write-down is reflected in Equity (losses) earnings of affiliates in the Statements of Operations for the fiscal year ended June 30, 2018. In the third quarter of fiscal 2018, as part of the long range planning process and in preparation for the Transaction, the Company assessed the long-term prospects for Foxtel, on both a stand-alone and combined basis. As a result of lower-

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than-expected revenues from certain new products and broadcast subscribers at Foxtel, the Company revised its outlook for Foxtel, which resulted in a reduction in expected future cash flows. Based on the revised projections, the Company concluded that the fair value of its investment in Foxtel declined below its carrying value. The assumptions utilized in the income approach valuation method were a discount rate of 10.25% and a long-term growth rate of 2.0%.

During the second quarter of fiscal 2017, the Company recognized a \$227 million non-cash write-down of the carrying value of its investment in Foxtel. As a result of Foxtel's performance in the first half of fiscal 2017 and the competitive operating environment in the Australian pay-TV market, the Company revised its future outlook for the business in the second quarter of fiscal 2017, which resulted in a reduction in expected future cash flows. Based on the revised projections, the Company determined that the fair value of its investment in Foxtel declined below its carrying value, which included the gain recognized in connection with the acquisition of Consolidated Media Holdings Ltd. ("CMH"). The write-down is reflected in Equity (losses) earnings of affiliates in the Statements of Operations for the fiscal year ended June 30, 2017. The assumptions utilized in the income approach valuation method were a discount rate of 9.0% and a long-term growth rate of 2.5%. The assumptions utilized in the market approach valuation methods were EBITDA multiples from guideline public companies operating in similar industries and a control premium of 10%.

In November 2012, the Company acquired CMH, a media investment company that operates in Australia. CMH owned a 25% interest in Foxtel through its 50% interest in FOX SPORTS Australia. The CMH acquisition was accounted for in accordance with ASC 805 which requires an acquirer to remeasure its previously held equity interest in an acquiree at its acquisition date fair value and recognize the resulting gain or loss in earnings. The carrying amount of the Company's previously held equity interest in FOX SPORTS Australia, through which the Company held its indirect 25% interest in Foxtel, was revalued to fair value as of the acquisition date, resulting in a step-up and non-cash gain of approximately \$1.3 billion for the fiscal year ended June 30, 2013, of which \$0.9 billion related to Foxtel.

Additionally, in accordance with ASC 350, the Company amortized \$49 million, \$68 million, and \$52 million related to excess cost over the Company's proportionate share of its investment's underlying net assets allocated to finite-lived intangible assets during the fiscal years ended June 30, 2018, 2017 and 2016, respectively. Such amortization is reflected in Equity (losses) earnings of affiliates in the Statements of Operations. The Company began consolidating the results of Foxtel in the fourth quarter of fiscal 2018 as a result of the Transaction.

- (b) Other equity affiliates, net for the fiscal years ended June 30, 2018 and 2017, include losses primarily from the Company's interest in Elara. Additionally, during the fiscal years ended June 30, 2018 and 2017, the Company recognized non-cash write-downs of \$13 million and \$9 million, respectively, on certain other equity method investments. The write-downs are reflected in Equity (losses) earnings of affiliates in the Statements of Operations for the fiscal years ended June 30, 2018 and 2017.

Impairments of Other Investments

The Company regularly reviews its investments for impairments based on criteria that include the extent to which the investment's carrying value exceeds its related market value, the duration of the market decline, the Company's ability to hold its investment until recovery and the investment's financial strength and specific prospects. The Company recorded write-offs and impairments of certain available-for-sale securities in the fiscal years ended June 30, 2018, 2017 and 2016 of \$33 million, \$21 million and \$17 million, respectively, which were reclassified out of Accumulated other comprehensive income and included in Other, net. The Company recorded write-offs and impairments of certain cost method investments of \$4 million in fiscal 2016 in Other, net. These write-offs and impairments were taken either as a result of the deteriorating financial position of the investee or due to an other-than-temporary impairment resulting from sustained losses and limited prospects for recovery.

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Summarized Financial Information

Summarized financial information for Foxtel for periods through April 2, 2018, presented in accordance with U.S. GAAP, was as follows:

	<u>For the fiscal years ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(in millions)		
Revenues	\$1,818	\$2,411	\$2,379
Operating income ^(a)	155	353	373
Net income	64	59	180

(a) Includes Depreciation and amortization of \$187 million for the period ended April 2, 2018 and \$215 million and \$231 million for the fiscal years ended June 30, 2017 and 2016, respectively. Operating income before depreciation and amortization was \$342 million for the period ended April 2, 2018 and \$568 million, and \$604 million for the fiscal years ended June 30, 2017 and 2016, respectively.

	<u>As of June 30,</u>	
	<u>2018</u>	<u>2017</u>
	(in millions)	
Current assets	\$ —	\$ 642
Non-current assets	—	2,517
Current liabilities	—	758
Non-current liabilities	—	2,557

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	<u>Useful Lives</u>	<u>As of June 30,</u>	
		<u>2018</u>	<u>2017</u>
		(in millions)	
Land		\$ 150	\$ 153
Buildings and leaseholds	3 to 50 years	1,742	1,733
Digital set top units and installations	3 to 7 years	744	—
Machinery and equipment ^(a)	3 to 20 years	3,131	2,985
		<u>5,767</u>	<u>4,871</u>
Less: accumulated depreciation and amortization ^(b)		<u>(3,352)</u>	<u>(3,339)</u>
		2,415	1,532
Construction in progress		<u>145</u>	<u>92</u>
Total Property, plant and equipment, net		<u>\$ 2,560</u>	<u>\$ 1,624</u>

(a) The increase in Machinery and equipment primarily relates to technical equipment acquired in the Transaction. Includes capitalized software of approximately \$1,189 million and \$997 million as of June 30, 2018 and 2017, respectively.

(b) Includes accumulated amortization of capitalized software of approximately \$734 million and \$691 million as of June 30, 2018 and 2017, respectively.

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Depreciation and amortization related to property, plant and equipment was \$372 million, \$358 million, and \$415 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively. This includes amortization of capitalized software of \$175 million, \$168 million and \$194 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

Total operating lease expense was approximately \$183 million, \$156 million and \$164 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

Fixed Asset Impairments

During the fiscal year ended June 30, 2017, the Company recognized total fixed asset impairment charges of \$679 million, primarily at News UK and News Corp Australia.

During the fourth quarter of fiscal 2017, as part of the Company's long-range planning process, the Company reduced its outlook for the U.K. newspapers due to the impact of adverse print advertising and print circulation trends on the future expected performance of the business. As a result, the Company recognized a non-cash impairment charge of approximately \$360 million related to the write-down of fixed assets at the U.K. newspapers. The write-down was comprised of approximately \$252 million related to print sites, \$85 million related to printing presses and print related equipment and \$23 million related to capitalized software. Significant unobservable inputs utilized in the income approach valuation method were a discount rate of 8.5% and a -1.0% long term growth rate.

During the second quarter of fiscal 2017, the Company recognized a non-cash impairment charge of approximately \$310 million primarily related to the write-down of fixed assets at the Australian newspapers. The write-down was a result of the impact of adverse trends on the future expected performance of the Australian newspapers, where revenue declines from continued weakness in the print advertising market accelerated during the second quarter. The write-down was comprised of approximately \$149 million related to printing presses and print related equipment, \$77 million related to facilities, \$66 million related to capitalized software and \$18 million related to tradenames. Significant unobservable inputs utilized in the income approach valuation method were a discount rate of 11.5% and no long-term growth.

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NOTE 8. GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying values of the Company's intangible assets and related accumulated amortization for the fiscal years ended June 30, 2018 and June 30, 2017 were as follows:

	<u>As of June 30,</u>	
	<u>2018</u>	<u>2017</u>
	(in millions)	
<u>Intangible Assets Not Subject to Amortization</u>		
Trademarks and tradenames	\$ 441	\$ 179
Newspaper mastheads	298	299
Distribution networks	308	390
Imprints	239	237
Radio broadcast licenses	188	185
Total intangible assets not subject to amortization	<u>1,474</u>	<u>1,290</u>
<u>Intangible Assets Subject to Amortization</u>		
Channel distribution agreements ^(a)	—	335
Publishing rights ^(b)	299	329
Customer relationships ^(c)	849	310
Other ^(d)	49	17
Total intangible assets subject to amortization, net	<u>1,197</u>	<u>991</u>
Total Intangible assets, net	<u>\$2,671</u>	<u>\$2,281</u>

- (a) Net of accumulated amortization of \$76 million as of June 30, 2017. As a result of the Transaction, the Company settled the pre-existing contractual arrangement between FOX SPORTS Australia and Foxtel. The settlement resulted in a write-off of the channel distribution agreement intangible asset, which was reflected in Other, net in the Statements of Operations. See Note 3—Acquisition, Disposals and Other Transactions.
- (b) Net of accumulated amortization of \$213 million and \$181 million as of June 30, 2018 and 2017, respectively. The useful lives of publishing rights range from 4 to 30 years primarily based on the weighted-average remaining contractual terms of the underlying publishing contracts and the Company's estimates of the period within those terms that the asset is expected to generate a majority of its future cash flows.
- (c) Net of accumulated amortization of \$447 million and \$399 million as of June 30, 2018 and 2017, respectively. The useful lives of customer relationships range from 2 to 25 years. The useful lives of these assets are estimated by applying historical attrition rates and determining the resulting period over which a majority of the accumulated undiscounted cash flows related to the customer relationships are expected to be generated.
- (d) Net of accumulated amortization of \$87 million and \$83 million as of June 30, 2018 and 2017, respectively. The useful lives of other intangible assets range from 2 to 15 years. The useful lives represent the periods over which these intangible assets are expected to contribute directly or indirectly to the Company's future cash flows. During fiscal 2018, New America Marketing's FSI media distribution network was determined to no longer have an indefinite life due to the impact of changes from print circulation trends within the newspaper industry which is expected to contract in the future, as consumers move to more digital products.

The Company recognized impairment charges of \$50 million and \$58 million for the fiscal years ended June 30, 2018 and 2017, respectively, related to indefinite-lived intangible assets.

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Amortization expense related to amortizable intangible assets was \$100 million, \$91 million and \$91 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

Based on the current amount of amortizable intangible assets, the estimated amortization expense for each of the succeeding five fiscal years is as follows: 2019—\$120 million; 2020—\$112 million; 2021—\$108 million; 2022—\$103 million; and 2023—\$97 million.

The changes in the carrying value of goodwill, by segment, are as follows:

	<u>News and Information Services</u>	<u>Book Publishing</u>	<u>Digital Real Estate Services</u>	<u>Subscription Video Services</u>	<u>Other</u>	<u>Total Goodwill</u>
	(in millions)					
Balance, June 30, 2016	\$1,765	\$260	\$1,209	\$ 476	\$ 4	\$3,714
Acquisitions	136	10	2	11	—	159
Impairments ^(a)	(20)	—	(24)	—	(4)	(48)
Dispositions ^(b)	—	—	(20)	—	—	(20)
Foreign currency movements	3	1	16	13	—	33
Balance, June 30, 2017	<u>\$1,884</u>	<u>\$271</u>	<u>\$1,183</u>	<u>\$ 500</u>	<u>\$—</u>	<u>\$3,838</u>
Acquisitions ^(c)	2	—	123	1,574	—	1,699
Impairments ^(d)	(158)	—	(19)	(41)	—	(218)
Dispositions	—	—	—	—	—	—
Foreign currency movements	2	(4)	(26)	(73)	—	(101)
Balance, June 30, 2018	<u>\$1,730</u>	<u>\$267</u>	<u>\$1,261</u>	<u>\$1,960</u>	<u>\$—</u>	<u>\$5,218</u>

- (a) In the News and Information Services segment, the write-down of goodwill primarily relates to a reporting unit in the U.K. In the Digital Real Estate Services segment, the write-down of goodwill relates to the Company's DIAKRIT reporting unit.
- (b) Relates to REA Group's sale of its European business.
- (c) Primarily relates to the Transaction in the Subscription Video Services segment and the acquisition of Smartline and Hometrack in the Digital Real Estate Services segment.
- (d) In the News and Information Services segment, the write-down of goodwill primarily relates to the News America Marketing reporting unit, and in the Subscription Video Services segment the write-down primarily relates to the FOX SPORTS Australia reporting unit. In the Digital Real Estate Services segment, the write-down of goodwill relates to the Company's DIAKRIT reporting unit.

The carrying amount of goodwill as of June 30, 2018 reflected accumulated impairments, principally relating to the News and Information Services segment, of \$3.6 billion.

Annual Impairment Assessments

Fiscal 2018

In accordance with ASC 350, the Company's goodwill and indefinite-lived intangible assets are tested annually in the fourth quarter for impairment or earlier if events occur or circumstances change that would more likely than not reduce the fair values of below their carrying amounts. See Note 2—Summary of Significant Accounting Policies.

The performance of the Company's annual impairment analysis resulted in impairments of \$43 million of goodwill and indefinite-lived intangible assets in fiscal 2018. Significant unobservable inputs utilized in the

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income approach valuation method were discount rates (ranging from 8.5%-25.0%), long-term growth rates (ranging from (1.0)%-3.0%) and royalty rates (ranging from 0.5%-7.5%). Significant unobservable inputs utilized in the market approach valuation method were EBITDA multiples from guideline public companies operating in similar industries and a control premium of 10%. Significant increases (decreases) in royalty rates, growth rates, control premiums and multiples, assuming no change in discount rates, would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in discount rates, assuming no changes in royalty rates, growth rates, control premiums and multiples, would result in a significantly higher (lower) fair value measurement.

During the third quarter of fiscal 2018, due to the impact of adverse trends on the future expected performance of the business, the Company revised its future outlook with respect to the News America Marketing reporting unit which resulted in a reduction in expected future cash flows. As a result, the Company determined that the fair value of this reporting unit declined below its carrying value and recorded a \$165 million impairment of goodwill and indefinite-lived intangible assets. For this reporting unit and intangible asset, significant unobservable inputs utilized in the income approach valuation method were discount rates (ranging from 12.5%-14%), long-term growth rates (ranging from (1.9%)-0.9%) and a royalty rate of 2.5%.

Additionally, during the third quarter of fiscal 2018, as part of the Company's long range planning process and in preparation for the Transaction, the Company assessed the long-term prospects for Foxtel and FOX SPORTS Australia. As a result of lower-than-expected revenues at Foxtel, the Company revised its future outlook for the FOX SPORTS Australia reporting unit, whose revenues are heavily predicated on Foxtel subscribers. Based on the revised projections, the Company determined that the fair value of the reporting unit was less than its carrying value and recorded a \$41 million impairment of goodwill in the fiscal year ended June 30, 2018. For the impaired reporting unit, significant unobservable inputs utilized in the income approach valuation method were a discount rate of 9.5% and a long-term growth rate of 2.0%. See Note 6—Investments.

Fiscal 2017

The performance of the Company's annual impairment analysis resulted in impairments of \$88 million of goodwill and indefinite-lived intangible assets in fiscal 2017. Significant unobservable inputs utilized in the income approach valuation method were discount rates (ranging from 9.0%-25.0%), long-term growth rates (ranging from 0.0%-3.3%) and royalty rates (ranging from 0.5%-7.5%). Significant unobservable inputs utilized in the market approach valuation method were EBITDA multiples from guideline public companies operating in similar industries and control premiums (ranging from 10%-15%). Significant increases (decreases) in royalty rates, growth rates, control premiums and multiples, assuming no change in discount rates, would result in a significantly higher (lower) fair value measurement. Significant decreases (increases) in discount rates, assuming no changes in royalty rates, growth rates, control premiums and multiples, would result in a significantly higher (lower) fair value measurement.

Fiscal 2016

The performance of the Company's annual impairment analysis did not result in any impairments of goodwill or indefinite-lived intangible assets in fiscal 2016. Significant unobservable inputs utilized in the income approach valuation method were discount rates (ranging from 9%-14.5%), long-term growth rates (ranging from 0%-3.5%) and royalty rates (ranging from 0.5%-3.4%). Significant unobservable inputs utilized in the market approach valuation method were EBITDA multiples from guideline public companies operating in similar industries and control premiums (ranging from 10%-15%). Significant increases (decreases) in royalty rates, growth rates, control premiums and multiples, assuming no change in discount rates, would result in a significantly higher

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(lower) fair value measurement. Significant decreases (increases) in discount rates, assuming no changes in royalty rates, growth rates, control premiums and multiples, would result in a significantly higher (lower) fair value measurement.

NOTE 9. BORROWINGS

The Company's total borrowings consist of the following:

	<u>Interest rate at June 30, 2018</u>	<u>Due date at June 30, 2018</u>	<u>As of June 30, 2018</u>	<u>As of June 30, 2017</u>
	(in millions)			
Foxtel Group				
Credit facility 2013 ^(a)	3.86%	Apr 7, 2019	\$ 222	\$ —
Credit facility 2014—tranche 1 ^(a)	3.86%	May 30, 2019	148	—
Credit facility 2014—tranche 2 ^(a)	3.96%	Jan 31, 2020	148	—
Credit facility 2015 ^(a)	4.01%	Jul 31, 2020	296	—
Credit facility 2016 ^{(a)(b)}	4.56%	Sept 11, 2021	108	—
Working capital facility 2017 ^{(a)(b)}	4.16%	Jul 3, 2020	59	—
US private placement 2009—tranche 3	6.20%	Sept 24, 2019	75	—
US private placement 2012—USD portion—tranche 1 ^(c)	3.68%	Jul 25, 2019	150	—
US private placement 2012—USD portion—tranche 2 ^(c)	4.27%	Jul 25, 2022	196	—
US private placement 2012—USD portion—tranche 3 ^(c)	4.42%	Jul 25 2024	146	—
US private placement 2012—AUD portion	7.04%	Jul 25, 2022	83	—
REA Group				
Credit facility 2016—tranche 1 ^(d)	—	Dec 31, 2017	—	92
Credit facility 2016—tranche 2 ^(d)	3.11%	Dec 31, 2018	89	92
Credit facility 2016—tranche 3 ^(d)	3.21%	Dec 31, 2019	178	184
Credit facility 2018 ^(d)	3.01%	April 27, 2021	54	—
Other Obligations		Feb 2, 2018	—	11
Total borrowings			1,952	379
Less: current portion ^(e)			(462)	(103)
Long-term borrowings			<u>\$1,490</u>	<u>\$ 276</u>

- (a) Borrowings under these facilities bear interest at a floating rate of Australian BBSY plus an applicable margin of between 1.10% and 2.70% per annum payable quarterly.
- (b) As of June 30, 2018, the Foxtel Group has undrawn commitments of \$198 million under these facilities for which it pays a commitment fee in the range of 40% and 45% of the applicable margin.
- (c) The carrying value of the borrowings include any fair value adjustments related to the Company's fair value hedges. See Note 11—Financial Instruments and Fair Value Measurements.
- (d) Borrowings under this facility bear interest at a floating rate of the Australian BBSY plus a margin in the range of 0.85% and 1.45% depending on REA Group's net leverage ratio. As of June 30, 2018, REA Group was paying a margin of between 0.95% and 1.05%.
- (e) The Company classifies the current portion of long term debt as non-current liabilities on the Balance Sheets when it has the intent and ability to refinance the obligation on a long-term basis, in accordance with ASC 470-50 "Debt."

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Foxtel Group Borrowings

Upon the completion of the Transaction, the Company consolidated \$1.8 billion of outstanding debt incurred by certain subsidiaries of new Foxtel (together with new Foxtel, the “Foxtel Group”), including its U.S. private placement senior unsecured notes and drawn amounts under its revolving credit facilities, with maturities ranging from 2019 to 2024. In accordance with ASC 805, these debt instruments were recorded at fair value as of the acquisition date.

During the fourth quarter of fiscal 2018, the Foxtel Group had repayments of \$119 million and borrowings of \$42 million under its working capital facility.

U.S. Private Placement Senior Unsecured Notes

At June 30, 2018, \$74 million (A\$100 million) of the U.S. private placement senior unsecured notes is in a fair value hedge relationship, and \$296 million (A\$400) million is in a cash flow hedge relationship.

Covenants, Collateral and Unamortized borrowing costs

The Foxtel Group’s external borrowings (revolving credit facilities and U.S. private placement senior unsecured notes) require the Foxtel Group to comply with specified financial and non-financial covenants calculated in accordance with Australian International Financial Reporting Standards. Subject to certain exceptions, these covenants restrict or prohibit members of the Foxtel Group from, among other things, undertaking certain transactions, disposing of properties or assets (including subsidiary stock), merging or consolidating with any other person, making financial accommodation available, giving guarantees, entering into certain other financing arrangements, creating or permitting certain liens, engaging in transactions with affiliates, making repayments of other loans and undergoing fundamental business changes. The financial covenants require the Foxtel Group to maintain a total debt to Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) ratio of not more than 3.75 to 1.0 and an interest coverage ratio of no less than 3.50 to 1.0. Foxtel Group’s external borrowings are only guaranteed by certain members of the Foxtel Group. The Foxtel Group is in compliance with these covenants as of June 30, 2018. There were no assets pledged as collateral for any of the borrowings.

REA Group Facilities

During the second quarter of fiscal 2018, REA Group repaid approximately \$93 million (A\$120 million) for the first tranche of its A\$480 million unsecured revolving loan facility, which matured in December 2017.

During the fourth quarter of fiscal 2018, REA Group entered into an A\$70 million unsecured revolving loan facility agreement and drew down the full amount available of \$53 million to fund the acquisition of Hometrack Australia.

The facilities require REA Group to maintain a net leverage ratio of not more than 3.25 to 1.0 and an interest coverage ratio of not less than 3.0 to 1.0. As of June 30, 2018, REA Group was in compliance with all of the applicable debt covenants.

Revolving Credit Facility

The Company’s Credit Agreement (as amended, the “Credit Agreement”) provides for an unsecured \$650 million revolving credit facility (the “Facility”) that can be used for general corporate purposes. The Facility has a sublimit of \$100 million available for issuances of letters of credit. Under the Credit Agreement, the Company may request increases in the amount of the Facility up to a maximum amount of \$900 million. The lenders’

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commitments under the Credit Agreement terminate on October 23, 2020 provided the Company may request that the commitments be extended under certain circumstances as set forth in the Credit Agreement for up to two additional one-year periods.

The Credit Agreement contains customary affirmative and negative covenants and events of default, with customary exceptions, including limitations on the ability of the Company and its subsidiaries to engage in transactions with affiliates, incur liens, merge into or consolidate with any other entity, incur subsidiary debt or dispose of all or substantially all of its assets or all or substantially all of the stock of its subsidiaries. In addition, the Credit Agreement requires the Company to maintain an adjusted operating income leverage ratio of not more than 3.0 to 1.0 and an interest coverage ratio of not less than 3.0 to 1.0. As of June 30, 2018, the Company was in compliance with all of the applicable debt covenants.

Interest on borrowings under the Facility is based on either (a) a Eurodollar Rate formula or (b) the Base Rate formula, each as set forth in the Credit Agreement. The applicable margin and the commitment fee are based on the pricing grid in the Credit Agreement, which varies based on the Company's adjusted operating income leverage ratio. As of June 30, 2018, the Company was paying a commitment fee of 0.225% on any undrawn balance and an applicable margin of 0.50% for a Base Rate borrowing and 1.50% for a Eurodollar Rate borrowing.

As of the date of this filing, the Company has not borrowed any funds under the Facility.

Future maturities

The following table summarizes the Company's debt maturities as of June 30, 2018:

	As of June 30, 2018 (in millions)
Fiscal 2019	\$462
Fiscal 2020	551
Fiscal 2021	406
Fiscal 2022	108
Fiscal 2023	279
Thereafter	146

NOTE 10. REDEEMABLE PREFERRED STOCK

In connection with the Company's separation of its businesses (the "Separation") from Twenty-First Century Fox, Inc. ("21st Century Fox") on June 28, 2013 (the "Distribution Date"), 21st Century Fox sold 4,000 shares of cumulative redeemable preferred stock with a par value of \$5,000 per share of a newly formed U.S. subsidiary of the Company. The preferred stock paid dividends at a rate of 9.5% per annum, payable quarterly, in arrears. The preferred stock was callable by the Company at any time after the fifth year and puttable at the option of the holder after 10 years. As of June 30, 2018 and 2017, \$20 million was included in Redeemable preferred stock on the Balance Sheets. In July 2018, the Company exercised its call option and redeemed 100% of the outstanding redeemable preferred stock.

NOTE 11. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

In accordance with ASC 820, fair value measurements are required to be disclosed using a three-tiered fair value hierarchy which distinguishes market participant assumptions into the following categories:

- Level 1—Quoted prices in active markets for identical assets or liabilities.

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- Level 2—Observable inputs other than quoted prices included in Level 1. The Company could value assets and liabilities included in this level using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. For the Company, this primarily includes the use of forecasted financial information and other valuation related assumptions such as discount rates and long term growth rates in the income approach as well as the market approach which utilizes certain market and transaction multiples.

Under ASC 820, certain assets and liabilities are required to be remeasured to fair value at the end of each reporting period. The following table summarize those assets and liabilities measured at fair value on a recurring basis:

	June 30, 2018				June 30, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in millions)							
Assets:								
Foreign currency derivatives—cash flow hedges ^(a)	\$ —	\$ 3	\$ —	\$ 3	\$ —	\$ —	\$ —	\$ —
Cross currency interest rate derivatives—fair value hedges ^(a)	—	29	—	29	—	—	—	—
Cross currency interest rate derivatives—economic hedges ^(a)	—	10	—	10	—	—	—	—
Cross currency interest rate derivatives—cash flow hedges ^(a)	—	76	—	76	—	—	—	—
Available—for—sale securities ^(b)	93	—	—	93	97	—	—	97
Total assets	\$ 93	\$118	\$ —	\$211	\$ 97	\$ —	\$ —	\$ 97
Liabilities:								
Interest rate derivatives—cash flow hedges ^(a)	\$ —	\$ 20	\$ —	\$ 20	\$ —	\$ —	\$ —	\$ —
Mandatorily redeemable noncontrolling interests ^(c)	—	—	12	12	—	—	79	79
Cross currency interest rate derivatives—cash flow hedges ^(a)	—	12	—	12	—	—	—	—
Total liabilities	\$ —	\$ 32	\$ 12	\$ 44	\$ —	\$ —	\$ 79	\$ 79

(a) As a result of the Transaction, the Company now consolidates certain derivative instruments that were outstanding as of the Transaction date. As part of purchase accounting, certain derivatives which were previously designated in hedging relationships were dedesignated and redesignated as of such date and recorded at fair value. See Note 3—Acquisitions, Disposals and Other Transactions.

(b) See Note 6—Investments.

(c) Primarily related to REA Group’s mandatorily redeemable noncontrolling interest associated with the acquisition of iProperty. The fair value is determined based on the formula specified in the acquisition agreement and REA Group management’s expectations of the business’ performance. The mandatorily redeemable noncontrolling interest was redeemed in April 2018, and the amount paid was based on the actual performance of the business against the targets stipulated in the acquisition agreement.

There have been no transfers between levels of the fair value hierarchy during the periods presented.

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Available-for-sale securities

The fair values of investments in available-for-sale securities are determined using the quoted market prices from active markets based on the closing price at the end of each reporting period. These investments are classified as Level 1 in the fair value hierarchy outlined above.

Mandatorily redeemable noncontrolling interests

The Company has liabilities recorded in its Balance Sheets for its mandatorily redeemable noncontrolling interests. These liabilities represent management's best estimate of the amounts expected to be paid in accordance with the contractual terms of the underlying acquisition agreements. The fair values of these liabilities are based on the contractual payout formulas included in the acquisition agreements taking into account the expected performance of the business. Any remeasurements or accretion related to the Company's mandatorily redeemable noncontrolling interests are recorded through Interest, net in the Statements of Operations. As the fair value does not rely on observable market inputs, the Company classifies these liabilities as Level 3 in the fair value hierarchy.

A rollforward of the Company's mandatorily redeemable noncontrolling interest liabilities classified as Level 3 is as follows:

	For the fiscal years ended June 30,	
	2018	2017
	(in millions)	
Balance—beginning of year	\$ 79	\$82
Additions	12	—
Payments	(81)	—
Measurement adjustments	—	(8)
Accretion	3	3
Foreign exchange movements	(1)	2
Balance—end of year	\$ 12	\$79

Derivative Instruments

The Company is directly and indirectly affected by risks associated with changes in certain market conditions. When deemed appropriate, the Company uses derivative instruments to mitigate the potential impact of these market risks. The primary market risks managed by the Company through the use of derivative instruments include:

- foreign currency exchange rate risk: arising primarily through Foxtel Group borrowings denominated in U.S. dollars and payments for license fees; and
- interest rate risk: arising from fixed and floating rate Foxtel Group borrowings.

The Company formally designates qualifying derivatives as hedge relationships (“hedges”) and applies hedge accounting when considered appropriate. For economic hedges where no hedge relationship has been designated, changes in fair value are included as a component of net income in each reporting period within Other, net in the Statements of Operations. The Company does not use derivative financial instruments for trading or speculative purposes.

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Hedges are classified as current or non-current in the Consolidated Balance Sheets based on their maturity dates. Refer to the table below for further details:

	<u>Balance Sheet Location</u>	<u>Fair value as of June 30,</u>	
		<u>2018</u>	<u>2017</u>
(in millions)			
Foreign currency derivatives—cash flow hedges	Other current assets	\$ 3	\$ —
Cross currency interest rate derivatives—fair value hedges	Other non-current assets	29	—
Cross currency interest rate derivatives—economic hedges	Other non-current assets	10	—
Cross currency interest rate derivatives—cash flow hedges	Other non-current assets	76	—
Interest rate derivatives—cash flow hedges	Other non-current liabilities	(20)	—
Cross currency interest rate derivatives—cash flow hedges	Other non-current liabilities	(12)	—

Cash flow hedges

The Company utilizes a combination of foreign currency derivatives, interest rate derivatives and cross currency interest rate derivatives to mitigate currency exchange and interest rate risk in relation to payments for license fees and future interest payments. The total notional value of foreign exchange contract derivatives designated for hedging was \$100 million as of June 30, 2018.

The total notional value of interest rate swap derivatives designated as cash flow hedges was \$518 million (A\$700 million) as of June 30, 2018. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to September 2022.

The total notional value of the cross currency interest rate swaps that were designated as cash flow hedges was \$296 million (A\$400 million) as of June 30, 2018. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to July 2024.

The following table presents the impact of changes in the fair values of derivatives designated as cash flow hedges had on AOCI and earnings during the fiscal year ended June 30, 2018. The Company did not have any such hedges in fiscal 2017 or fiscal 2016.

	<u>Gain (loss) recognized in Accumulated Other Comprehensive Income for the Fiscal year ended June 30,</u>			<u>Gain (loss) reclassified from Accumulated Other Comprehensive Income for the Fiscal year ended June 30,</u>			<u>Income statement location</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	
(in millions)							
Derivative instruments designated as cash flow hedges:							
Foreign currency derivatives—cash flow hedges	\$ 3	\$ —	\$ —	\$ (1)	\$ —	\$ —	Operating expenses
Cross currency interest rate derivatives—cash flow hedges	8	—	—	9	—	—	Interest, net
Interest rate derivatives—cash flow hedges	—	—	—	(1)	—	—	Interest, net
Total	<u>\$11</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7</u>	<u>\$ —</u>	<u>\$ —</u>	

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During fiscal 2018, the amount recognized in the Statement of Operations for the ineffective portion of derivative instruments designated as cash flow hedges was nil, and the Company did not exclude any component of the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

As of June 30, 2018, the Company estimates that approximately \$3 million of net derivative gains related to its foreign currency derivative cash flow hedges included in Accumulated other comprehensive loss will be reclassified into the Statement of Operations within the next 12 months on the assumption that there are no change to the exchange rates and interest rates at June 30, 2018.

Fair value hedges

The Company's primary interest rate risk arises from its borrowings acquired as a part of the Transaction. Borrowings issued at fixed rates and in U.S. dollars expose new Foxtel to fair value interest rate risk and currency exchange rate risk. The Company manages fair value interest rate risk and currency exchange rate risk through the use of cross-currency interest rate swaps under which the Company exchanges fixed interest payments equivalent to the interest payments on the U.S. dollar denominated debt for floating rate Australian dollar denominated interest payments. The changes in fair value of derivatives designated as fair value hedges and the offsetting changes in fair value of the hedged items are recognized in Other, net. As of June 30, 2018, such adjustments decreased the carrying value of borrowings by nil.

The total notional value of the fair value hedges was \$74 million (A\$100 million) as of June 30, 2018. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to July 2024.

During fiscal 2018, the amount recognized in earnings on derivative instruments designated as fair value hedges related to the ineffective portion was nil, and the Company did not exclude any component of the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

Economic (non-designated) hedges

In addition to derivative instruments that are designated and qualify for hedge accounting, the Company also uses certain derivatives not designated as accounting hedges to mitigate foreign currency and interest rate risk. These are referred to as economic hedges. The changes in fair value of economic hedges are immediately recognized into earnings. The total notional value of cross currency interest rate derivatives was \$75 million as of June 30, 2018, which relate to the U.S. private placement 2009 debt.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are remeasured at fair value on a recurring basis, the Company has certain assets, primarily goodwill, intangible assets, equity method investments and property, plant and equipment, that are not required to be remeasured to fair value at the end of each reporting period. On an ongoing basis, the Company monitors whether events occur or circumstances change that would more likely than not reduce the fair values of these assets below their carrying amounts. If the Company determines that these assets are impaired, the Company would write down these assets to fair value. These nonrecurring fair value measurements are considered to be Level 3 in the fair value hierarchy.

During the third quarter of fiscal 2018, the Company recognized a \$957 million non-cash write-down of the carrying value of its investment in Foxtel from \$1,588 million to \$631 million. During the second quarter of fiscal 2017, the Company recognized a \$227 million non-cash write-down of the carrying value of its investment in Foxtel from \$1,432 million to \$1,205 million. See Note 6—Investments.

During the third quarter of fiscal 2018, the Company recognized non-cash impairment charges of \$120 million and \$45 million to goodwill and intangible assets, respectively, at the News America Marketing reporting unit.

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The carrying value of goodwill decreased from \$301 million to \$181 million and the carrying value of intangible assets decreased from \$391 million to \$346 million. See Note 8—Goodwill and Other Intangible Assets.

During the third quarter of fiscal 2018, the Company recognized a \$41 million non-cash impairment charge to goodwill at the FOX SPORTS Australia reporting unit. The carrying value of goodwill decreased from \$490 million to \$449 million. See Note 8—Goodwill and Other Intangible Assets.

During the fourth quarter of fiscal 2017, the Company recognized a non-cash impairment charge of approximately \$360 million related to the write-down of fixed assets at the U.K. newspapers. The carrying value of fixed assets decreased from \$731 million to \$371 million. See Note 7—Property, Plant and Equipment.

During the second quarter of fiscal 2017, the Company recognized a non-cash impairment charge of approximately \$310 million primarily related to the write-down of fixed assets at News Corp Australia. The carrying value of fixed assets decreased from \$667 million to \$375 million and the carrying value of the intangible assets decreased from \$48 million to \$30 million. See Note 7—Property, Plant and Equipment.

Other Fair Value Measurements

As of June 30, 2018, the carrying value of the Company’s outstanding borrowings approximates the fair value and is classified as Level 3 in the fair value hierarchy. As of June 30, 2017, the carrying value of the REA Facility approximates the fair value and is classified as Level 3 in the fair value hierarchy.

NOTE 12. STOCKHOLDERS’ EQUITY

Authorized Capital Stock

The Company’s authorized capital stock consists of 1,500,000,000 shares of Class A Common Stock, par value \$0.01 per share, 750,000,000 shares of Class B Common Stock, par value \$0.01 per share, 25,000,000 shares of Series Common Stock, par value \$0.01 per share, and 25,000,000 shares of Preferred Stock, par value \$0.01 per share.

Common Stock and Preferred Stock

Shares Outstanding—As of June 30, 2018, the Company had approximately 380 million shares of Class A Common Stock outstanding at a par value of \$0.01 per share and approximately 200 million shares of Class B Common Stock outstanding at a par value of \$0.01 per share. As of June 30, 2018, the Company had no shares of Series Common Stock and Preferred Stock outstanding.

Dividends—The following table summarizes the dividends declared and paid per share on both the Company’s Class A Common Stock and Class B Common Stock:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Cash dividends paid per share	\$0.20	\$0.20	\$0.20

The timing, declaration, amount and payment of future dividends to stockholders, if any, is within the discretion of the Company’s Board of Directors (the “Board of Directors”). The Board of Directors’ decisions regarding the payment of future dividends will depend on many factors, including the Company’s financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the Board of Directors deems relevant.

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Voting Rights—Holders of the Company’s Class A Common Stock are entitled to vote only in the limited circumstances set forth in the Company’s Restated Certificate of Incorporation (the “Charter”). Holders of the Company’s Class B Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders.

Liquidation Rights—In the event of a liquidation or dissolution of the Company, holders of Class A Common Stock and Class B Common Stock shall be entitled to receive all of the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of shares held by Class A Common Stock holders and Class B Common Stock holders, respectively. In the event of any merger or consolidation with or into another entity, the holders of Class A Common Stock and the holders of Class B Common Stock shall generally be entitled to receive substantially identical per share consideration.

Under the Company’s Charter, the Board of Directors is authorized to issue shares of preferred stock or series common stock at any time, without stockholder approval, in one or more series and to fix the number of shares, designations, voting powers, if any, preferences and relative, participating, optional and other rights of such series, as well as any applicable qualifications, limitations or restrictions, to the full extent permitted by Delaware law, subject to the limitations set forth in the Charter, including stockholder approval requirements with respect to the issuance of preferred stock or series common stock entitling holders thereof to more than one vote per share.

Stock Repurchases

In May 2013, the Board of Directors authorized the Company to repurchase up to an aggregate of \$500 million of its Class A Common Stock. No stock repurchases were made during the fiscal year ended June 30, 2018. Through August 7, 2018, the Company cumulatively repurchased approximately 5.2 million shares of Class A Common Stock for an aggregate cost of approximately \$71 million. The remaining authorized amount under the stock repurchase program as of August 7, 2018 was approximately \$429 million. All decisions regarding any future stock repurchases are at the sole discretion of a duly appointed committee of the Board of Directors and management. The committee’s decisions regarding future stock repurchases will be evaluated from time to time in light of many factors, including the Company’s financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the committee may deem relevant. The stock repurchase authorization may be modified, extended, suspended or discontinued at any time by the Board of Directors and the Board of Directors cannot provide any assurances that any additional shares will be repurchased. The total number and value of shares repurchased for the fiscal years ended June 30, 2018, 2017 and 2016 are as follows:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Total cost of repurchases	\$ —	\$ —	\$ 39
Total number of shares repurchased	—	—	3.1

Stockholder Rights Agreement

During fiscal 2018, the Board of Directors adopted the third amended and restated rights agreement, which is referred to below as the “rights agreement.” Under the rights agreement, each outstanding share of common stock of the Company has attached to it one right. Initially, the rights are represented by the common stock of the Company, are not traded separately from the common stock and are not exercisable. The rights, unless redeemed or exchanged, will become exercisable for common stock of the Company 10 business days after the earlier of

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public announcement that a person or group has obtained beneficial ownership (defined to include stock which a person has the right to acquire, regardless of whether such right is subject to the passage of time or the satisfaction of conditions) of 15% or more of the outstanding shares of the Company's Class B Common Stock or launch of a tender offer to do so. Following such acquisition of beneficial ownership, each right will entitle its holder (other than the acquiring person or group) to purchase, at the exercise price (subject to adjustments provided in the rights agreement), a number of shares of the Company's Class A or Class B Common Stock, as applicable, having a then-current market value of twice the exercise price, and in the event of a subsequent merger or other acquisition of the Company or transfer of more than 50% of the Company or its assets, to purchase, at the exercise price, a number of shares of common stock of the acquiring entity having a then-current market value of twice the exercise price. The exercise price for the Company rights will be \$90.00, subject to certain adjustments.

The rights will not become exercisable by virtue of (i) any person's or group's beneficial ownership, as of the Distribution Date, of 15% or more of the Class B Common Stock of the Company, unless such person or group acquires beneficial ownership of additional shares of the Company's Class B Common Stock after June 18, 2018; (ii) the repurchase of the Company's shares that causes a holder to become the beneficial owner of 15% or more of the Company's Class B Common Stock, unless such holder acquires beneficial ownership of additional shares representing one percent or more of the Company's Class B Common Stock; (iii) acquisitions by way of a pro rata stock dividend or a stock split; (iv) acquisitions solely as a result of any unilateral grant of any security by the Company or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers and employees pursuant to any equity incentive or award plan; or (v) certain acquisitions determined by the Board of Directors to be inadvertent, provided, that following such acquisition, the acquirer promptly, but in any case within 10 business days, divests a sufficient number of shares so that such person would no longer otherwise qualify as an acquiring person.

The rights will expire on June 18, 2021, unless the rights agreement is earlier terminated or such date is advanced or extended by the Company, or the rights are earlier redeemed or exchanged by the Company. The description of the Rights Agreement is qualified in its entirety by reference to the Rights Agreement, including the form of the Certificate of Designations attached as an exhibit thereto.

NOTE 13. EQUITY-BASED COMPENSATION

Employees of the Company participate in the News Corporation 2013 Long-Term Incentive Plan (the "2013 LTIP"), under which equity-based compensation, including stock options, performance stock units ("PSUs"), restricted stock units ("RSUs") and other types of awards can be granted. The Company has the ability to award up to 30 million shares of Class A Common Stock under the terms of the 2013 LTIP in addition to awards assumed in connection with the Separation and with acquisitions.

The following table summarizes the Company's equity-based compensation expense from continuing operations reported in the Statements of Operations:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Total Equity compensation expense	\$ 76	\$ 38	\$ 55
Total intrinsic value of stock options exercised	\$ 1	\$ 2	\$ 3

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As of June 30, 2018, total compensation cost not yet recognized for all plans presented related to unvested awards held by the Company's employees was approximately \$56 million and is expected to be recognized over a weighted average period of between one and two years.

The tax benefit recognized on PSUs and RSUs for the Company's employees that vested and stock options that were exercised by the Company's employees, during the applicable fiscal year was \$9 million, \$17 million, and \$11 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

Summary of Incentive Plans

The fair value of equity-based compensation granted under the 2013 LTIP is calculated according to the type of award issued. Cash settled awards are marked-to-market at the end of each reporting period.

Performance Stock Units

PSUs are grants that entitle the holder to shares of the Company's Class A Common Stock or the cash equivalent value of such shares based on the achievement of pre-established performance metrics over the applicable performance period. The fair value of PSUs is determined on the date of grant and expensed using a straight-line method over the applicable vesting period. The expense is adjusted to reflect the number of shares expected to vest based on management's determination of the probable achievement of the pre-established performance metrics. The Company records a cumulative adjustment in periods in which its estimate of the number of shares expected to vest changes. Any person who holds PSUs shall have no ownership interest in the shares or cash to which such PSUs relate unless and until the shares or cash are delivered to the holder. All shares of Class A Common Stock reserved for cancelled or forfeited equity-based compensation awards become available for future grants. Dividend equivalents have been granted to participants beginning with the fiscal 2017-2019 PSU award and are subject to the same terms as the related PSU awards.

In the first quarters of fiscal 2018, 2017 and 2016, certain employees of the Company received grants of PSUs that cliff vest after the completion of three fiscal years, subject to three-year performance conditions consisting of pre-defined targets based on the Company's cumulative earnings per share, cumulative free cash flow and three-year total shareholder return ("TSR") relative to that of the companies that comprise the Standard and Poor's 500 Index, or beginning with PSUs granted in fiscal 2018, the Standard and Poor's 1500 Media Index. The fair value of the TSR condition is determined using a Monte Carlo simulation model.

In the first quarter of fiscal 2018, certain employees of the Company received grants of PSUs that have graded vesting after the completion of one and two fiscal years, subject to one-year performance conditions consisting of pre-defined targets and grants of PSUs that cliff vest after the completion of three fiscal years, subject to three-year performance conditions consisting of pre-defined targets. The one-year performance conditions are based on a combination of business-unit-specific free cash flow and revenue or Company earnings per share, or EPS and free cash flow. The three-year performance conditions are based on a combination of business-unit-specific revenue, EBITDA (as defined in Note 20—Segment Information) and free cash flow or Company EPS, cumulative free cash flow and three-year TSR relative to that of the companies that comprise the Standard and Poor's 1500 Media Index.

For the fiscal years ended June 30, 2018, 2017 and 2016, the Company granted approximately 4.4 million, 5.5 million, and 4.2 million PSUs, respectively, at target to the Company's employees, of which approximately 3.2 million, 4.1 million and 3.0 million PSUs, respectively, will be settled in Class A Common Stock, with the remaining PSUs, which are granted to executive directors and to employees in certain foreign locations, being settled in cash, assuming performance conditions are met.

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For the fiscal years ended June 30, 2018, 2017 and 2016, approximately 1.6 million, 2.8 million and 1.2 million PSUs respectively, vested, of which approximately 0.5 million, 1.0 million and 0.2 million PSUs, respectively, were settled in cash for approximately \$6.6 million, \$13.1 million and \$3.3 million, respectively, before statutory tax withholdings.

Restricted Stock Units

RSU awards are grants that entitle the holder to shares of the Company's Class A Common Stock. The fair value of RSUs is based upon the fair market value of the shares underlying the awards on the grant date. Any person who holds RSUs shall have no ownership interest in the shares to which such RSUs relate unless and until the shares are delivered to the holder.

During fiscal 2018, 2017 and 2016, certain employees of the Company received grants of time-vested RSUs. Vesting of the awards is subject to the participants' continued employment with the Company through the applicable vesting date. During the fiscal years ended June 30, 2018, 2017 and 2016, 0.3 million, 0.4 million and 0.3 million RSUs, respectively, were granted to the Company's employees. These RSUs have graded vesting primarily over two to four years.

The following table summarizes the activity from continuing and discontinued operations related to the target PSUs and RSUs granted to the Company's employees that will be settled in shares of the Company (PSUs and RSUs in thousands):

	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Number of shares	Weighted average grant-date fair value	Number of shares	Weighted average grant-date fair value	Number of shares	Weighted average grant-date fair value
<i>PSUs and RSUs</i>						
Unvested units at beginning of the year	8,652	\$15.57	7,773	\$17.34	8,355	\$16.77
Granted ^(a)	3,510	13.47	4,502	14.69	3,472	15.51
Vested ^(b)	(1,467)	16.70	(2,387)	18.38	(1,913)	13.56
Cancelled ^(c)	(1,354)	16.04	(1,236)	17.08	(2,141)	15.76
Unvested units at the end of the year ^(d)	9,341	\$14.54	8,652	\$15.57	7,773	\$17.34

(a) For fiscal 2018, includes 3.2 million target PSUs and 0.3 million RSUs granted.

For fiscal 2017, includes 4.1 million target PSUs and 0.4 million RSUs granted.

For fiscal 2016, includes 3.0 million target PSUs and 0.3 million RSUs granted and a payout adjustment of 0.2 million PSUs due to the actual performance level achieved for PSUs granted in fiscal 2013 that vested during fiscal 2016.

(b) The fair value of PSUs and RSUs held by the Company's employees that vested during the fiscal years ended June 30, 2018, 2017 and 2016 was \$25 million, \$44 million and \$26 million, respectively.

(c) For fiscal 2018, includes 0.6 million of target PSUs and 0.1 million RSUs cancelled and a payout adjustment of 0.7 million PSUs due to the actual performance level achieved for PSUs granted in fiscal 2015 that vested during fiscal 2018.

For fiscal 2017, includes 0.7 million of target PSUs and 0.1 million RSUs cancelled and a payout adjustment of 0.4 million PSUs due to the actual performance level achieved for PSUs granted in fiscal 2014 that vested during fiscal 2017.

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For fiscal 2016, includes 0.8 million of target PSUs and 0.3 million RSUs cancelled and a payout adjustment of 1.0 million PSUs due to the actual performance level achieved for PSUs granted in fiscal 2013 that vested during fiscal 2016.

- (d) The intrinsic value of these unvested RSUs and target PSUs was approximately \$145 million as of June 30, 2018.

Stock Options

The following table summarizes information about stock option transactions for the employee stock option plans (options in thousands):

	Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Options	Weighted average exercise price (in US\$)	Options	Weighted average exercise price (in US\$)	Options	Weighted average exercise price (in US\$)
Outstanding at the beginning of the year	666	\$ 7.74	1,238	\$ 9.03	2,008	\$ 8.82
Exercised	(189)	8.04	(354)	7.78	(508)	7.34
Cancelled	(4)	9.04	(218)	15.00	(262)	10.75
Outstanding at the end of the year ^(a)	473	\$ 7.61	666	\$ 7.74	1,238	\$ 9.03
Exercisable at the end of the year ^(b)	470		585		945	

- (a) The intrinsic value of options outstanding held by the Company's employees as of June 30, 2018, 2017 and 2016 was \$3.7 million, \$4.0 million and \$3.0 million, respectively. The weighted average remaining contractual life of options outstanding as of June 30, 2018 was 4.06 years.
- (b) The weighted average remaining contractual life of options exercisable as of June 30, 2018 was 4.04 years.

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NOTE 14. (LOSS) EARNINGS PER SHARE

The following tables set forth the computation of basic and diluted (loss) earnings per share under ASC 260, “Earnings per Share”:

	<u>For the fiscal years ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>(in millions, except per share amounts)</u>		
(Loss) income from continuing operations	\$(1,444)	\$ (643)	\$ 235
Less: Net income attributable to noncontrolling interests	(70)	(95)	(71)
Less: Redeemable preferred stock dividends ^(a)	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
(Loss) income from continuing operations available to News Corporation stockholders	(1,516)	(740)	162
Income from discontinued operations, net of tax, available to News Corporation stockholders	<u>—</u>	<u>—</u>	<u>15</u>
Net (loss) income available to News Corporation stockholders	<u>\$(1,516)</u>	<u>\$ (740)</u>	<u>\$ 177</u>
Weighted-average number of shares of common stock outstanding—basic	582.7	581.4	580.6
Dilutive effect of equity awards ^(b)	<u>—</u>	<u>—</u>	<u>1.9</u>
Weighted-average number of shares of common stock outstanding—diluted	<u>582.7</u>	<u>581.4</u>	<u>582.5</u>
(Loss) income from continuing operations available to News Corporation stockholders per share—basic and diluted	\$ (2.60)	\$ (1.27)	\$ 0.28
Income from discontinued operations available to News Corporation stockholders per share—basic and diluted	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.02</u>
Net (loss) income available to News Corporation stockholders per share—basic and diluted	<u>\$ (2.60)</u>	<u>\$ (1.27)</u>	<u>\$ 0.30</u>

(a) Refer to Note 10—Redeemable Preferred Stock

(b) The dilutive impact of the Company’s PSUs, RSUs and stock options has been excluded from the calculation of diluted (loss) earnings per share for the fiscal years ended June 30, 2018 and 2017 because their inclusion would have an antidilutive effect on the net loss per share.

NOTE 15. RELATED PARTY TRANSACTIONS

Related Party Transactions

In the ordinary course of business, the Company enters into transactions with related parties to purchase and/or sell advertising and administrative services. The Company has also previously entered into transactions with related parties to sell certain broadcast rights. The following table sets forth the net revenue from related parties included in the Statements of Operations:

	<u>For the fiscal years ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>(in millions)</u>		
Related party revenue, net of expense ^(a)	\$240	\$307	\$319

(a) Related party revenue, net of expenses, includes nine months of affiliate fees earned by FOX SPORTS Australia from Foxtel.

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The following table sets forth the amount of receivables due from and payable to related parties outstanding on the Balance Sheets:

	As of June 30,	
	2018	2017
	(in millions)	
Accounts receivable from related parties	\$32	\$ 92
Notes receivable from related parties	—	370
Accounts payable to related parties	17	13

NOTE 16. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has commitments under certain firm contractual arrangements (“firm commitments”) to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The following table summarizes the Company’s material firm commitments as of June 30, 2018:

	As of June 30, 2018				
	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in millions)				
Purchase obligations ^(a)	\$1,165	\$ 505	\$ 409	\$ 168	\$ 83
Sports programming rights ^(b)	2,316	490	966	750	110
Programming costs ^(c)	239	120	100	19	—
Operating leases ^(d)					
Transmission costs ^(e)	480	66	122	118	174
Land and buildings	1,585	168	291	244	882
Plant and machinery	26	7	10	8	1
Borrowings ^(f)	1,937	459	962	373	143
Interest payments on borrowings ^(g)	196	19	56	77	44
Total commitments and contractual obligations	\$7,944	\$1,834	\$2,916	\$1,757	\$1,437

- (a) The Company has commitments under purchase obligations related to minimum subscriber guarantees for license fees, printing contracts, capital projects, marketing agreements, production services and other legally binding commitments.
- (b) The Company has sports programming rights commitments with National Rugby League, Australian Football League, Cricket Australia, the domestic football league and Australian Rugby Union as well as certain other broadcast rights which are payable through fiscal 2024. In April 2018, new Foxtel entered into a sports programming rights agreement with Cricket Australia to broadcast domestic cricket for a six year period from 2018 to 2024. The sports rights commitments are included in the table above.
- (c) The Company has programming rights commitments with various suppliers for programming content.
- (d) The Company leases office facilities, warehouse facilities, printing plants, satellite service agreements and equipment. These leases, which are classified as operating leases, are expected to be paid at certain dates through fiscal 2062. This amount includes approximately \$175 million of land and office facilities that have been subleased from 21st Century Fox.
- (e) The Company has contractual commitments for satellite transmission services. The transponder services arrangements extend through 2029 and are accounted for as operating leases.
- (f) See Note 9—Borrowings.

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- (g) Reflects the Company's expected future interest payments on borrowings outstanding and interest rates applicable at June 30, 2018. Such rates are subject to change in future periods. See Note 9—Borrowings.

Contingencies

The Company routinely is involved in various legal proceedings, claims and governmental inspections or investigations, including those discussed below. The outcome of these matters and claims is subject to significant uncertainty, and the Company often cannot predict what the eventual outcome of pending matters will be or the timing of the ultimate resolution of these matters. Fees, expenses, fines, penalties, judgments or settlement costs which might be incurred by the Company in connection with the various proceedings could adversely affect its results of operations and financial condition.

The Company establishes an accrued liability for legal claims when it determines that a loss is both probable and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of any loss ultimately incurred in relation to matters for which an accrual has been established may be higher or lower than the amounts accrued for such matters. Legal fees associated with litigation and similar proceedings are expensed as incurred. Except as otherwise provided below, for the contingencies disclosed for which there is at least a reasonable possibility that a loss may be incurred, the Company was unable to estimate the amount of loss or range of loss. The Company recognizes gain contingencies when the gain becomes realized or realizable.

News America Marketing

Valassis Communications, Inc.

On November 8, 2013, Valassis Communications, Inc. ("Valassis") initiated legal proceedings against the Company and/or certain of its subsidiaries alleging violations of various antitrust laws. These proceedings are described in further detail below.

- Valassis previously initiated an action against News America Incorporated, News America Marketing FSI L.L.C. and News America Marketing In-Store Services L.L.C. (collectively, the "NAM Parties"), captioned Valassis Communications, Inc. v. News America Incorporated, et al., No. 2:06-cv-10240 (E.D. Mich.) ("Valassis I"), alleging violations of federal antitrust laws, which was settled in February 2010. On November 8, 2013, Valassis filed a motion for expedited discovery in the previously settled case based on its belief that defendants had engaged in activities prohibited under an order issued by the U.S. District Court for the Eastern District of Michigan in connection with the parties' settlement, which motion was granted by the magistrate judge.

Valassis subsequently filed a Notice of Violation of the order issued by the District Court in Valassis I (the "Notice"). The Notice re-asserted claims of unlawful bundling and tying which the magistrate judge had previously recommended be dismissed from Valassis II, described below, on the grounds that such claims could only be brought before a panel of antitrust experts previously appointed in Valassis I (the "Antitrust Expert Panel"), and sought treble damages, injunctive relief and attorneys' fees on those claims. On March 30, 2016, the District Court ordered that the Notice be referred to the Antitrust Expert Panel.

- On November 8, 2013, Valassis also filed a new complaint in the District Court against News Corporation and the NAM Parties (together, the "NAM Group") alleging violations of federal and state antitrust laws and common law business torts ("Valassis II"). The complaint sought treble damages, injunctive relief and attorneys' fees and costs. On December 19, 2013, the NAM Group filed a motion to dismiss the newly filed complaint, and on March 30, 2016, the District Court ordered that Valassis's

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bundling and tying claims be dismissed without prejudice to Valassis's rights to pursue relief for those claims in Valassis I and that all remaining claims in the NAM Group's motion to dismiss be referred to the Antitrust Expert Panel.

The Antitrust Expert Panel was convened and, on February 8, 2017, recommended that Valassis I be dismissed and the NAM Group's counterclaims in Valassis II be dismissed with leave to replead three of the four counterclaims. The NAM Group filed an amended counterclaim on February 27, 2017. Valassis did not object to the Antitrust Expert Panel's recommendation to dismiss Valassis I, but it filed motions with the District Court asserting that the referral of Valassis II to the Antitrust Expert Panel was no longer valid and seeking either to re-open Valassis II in the District Court or to transfer the case to the U.S. District Court for the Southern District of New York (the "N.Y. District Court"). On September 25, 2017, the District Court dismissed Valassis I, granted Valassis's motions and transferred Valassis II to the N.Y. District Court. On April 13, 2018, the NAM Group filed a motion for summary judgment dismissing Valassis II with the N.Y. District Court. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Group believes it has been compliant with applicable laws and intends to defend itself vigorously.

In-Store Marketing and FSI Purchasers

On February 29, 2016, the parties agreed to settle the litigation in the N.Y. District Court in which The Dial Corporation, Henkel Consumer Goods, Inc., H.J. Heinz Company, H.J. Heinz Company, L.P., Foster Poultry Farms, Smithfield Foods, Inc., HP Hood LLC and BEF Foods, Inc. alleged various claims under federal and state antitrust law against the NAM Group. Pursuant to the terms of the settlement, the NAM Group paid the settlement amount of approximately \$250 million during the quarter ended September 30, 2016, and the litigation was subsequently dismissed with prejudice. The NAM Group also settled related claims for approximately \$30 million in February 2016.

U.K. Newspaper Matters

Civil claims have been brought against the Company with respect to, among other things, voicemail interception and inappropriate payments to public officials at the Company's former publication, *The News of the World*, and at *The Sun*, and related matters (the "U.K. Newspaper Matters"). The Company has admitted liability in many civil cases and has settled a number of cases. The Company also settled a number of claims through a private compensation scheme which was closed to new claims after April 8, 2013.

In connection with the Separation, the Company and 21st Century Fox agreed in the Separation and Distribution Agreement that 21st Century Fox would indemnify the Company for payments made after the Distribution Date arising out of civil claims and investigations relating to the U.K. Newspaper Matters as well as legal and professional fees and expenses paid in connection with the previously concluded criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the Company or 21st Century Fox. 21st Century Fox's indemnification obligations with respect to these matters will be settled on an after-tax basis.

The net (benefit) expense related to the U.K. Newspaper Matters in Selling, general and administrative expenses was \$(35) million, \$10 million and \$19 million for the fiscal years ended June 30, 2018, June 30, 2017 and June 30, 2016, respectively. As of June 30, 2018, the Company has provided for its best estimate of the liability for the claims that have been filed and costs incurred, including liabilities associated with employment taxes, and has accrued approximately \$52 million. The amount to be indemnified by 21st Century Fox of approximately \$49 million was recorded as a receivable in Other current assets on the Balance Sheet as of June 30, 2018. The

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net benefit for the fiscal year ended June 30, 2018 and the accrual and receivable recorded as of that date reflect a \$46 million impact from the reversal of a portion of the Company's previously accrued liability and the corresponding receivable from 21st Century Fox as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes. It is not possible to estimate the liability or corresponding receivable for any additional claims that may be filed given the information that is currently available to the Company. If more claims are filed and additional information becomes available, the Company will update the liability provision and corresponding receivable for such matters.

The Company is not able to predict the ultimate outcome or cost of the civil claims. It is possible that these proceedings and any adverse resolution thereof could damage its reputation, impair its ability to conduct its business and adversely affect its results of operations and financial condition.

Zillow Settlement

On June 6, 2016, the parties agreed to settle the litigation in the Superior Court of the State of Washington in which Move, the National Association of Realtors® ("NAR") and three related entities filed a complaint against Zillow, Inc. ("Zillow"), Errol Samuelson and Curt Beardsley alleging, among other things, misappropriation of trade secrets, tortious interference, breach of fiduciary duties and breach of contract. Pursuant to the terms of the settlement agreement and release, Zillow paid the plaintiffs \$130 million and the pending litigation was dismissed with prejudice. Under the terms of an agreement with Move, NAR received 10% of the settlement proceeds after deduction of Move's litigation-related costs and fees, and Move received the remainder. As a result, the Company recognized a \$122 million gain in NAM Group and Zillow settlements, net in the Company's Statement of Operations for the fiscal year ended June 30, 2016.

Other

The Company's tax returns are subject to on-going review and examination by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company's tax returns, and therefore the outcome of tax reviews and examinations can be unpredictable.

The Company believes it has appropriately accrued for the expected outcome of uncertain tax matters and believes such liabilities represent a reasonable provision for taxes ultimately expected to be paid; however, these liabilities may need to be adjusted as new information becomes known and as tax examinations continue to progress, or as settlements or litigations occur.

NOTE 17. RETIREMENT BENEFIT OBLIGATIONS

The Company's employees participate in various defined benefit pension and postretirement plans sponsored by the Company and its subsidiaries. Plans in the U.S., U.K., Australia, and other foreign plans are accounted for as defined benefit pension plans. Accordingly, the funded and unfunded position of each plan is recorded in the Balance Sheets. Actuarial gains and losses that have not yet been recognized through income are recorded in Accumulated other comprehensive loss, net of taxes, until they are amortized as a component of net periodic benefit cost. The determination of benefit obligations and the recognition of expenses related to the plans are dependent on various assumptions. The major assumptions primarily relate to discount rates, expected long-term rates of return on plan assets and mortality rates. Management develops each assumption using relevant company experience in conjunction with market-related data for each individual country in which such plans exist. The funded status of the plans can change from year to year, but the assets of the funded plans have been sufficient to pay all benefits that came due in each of fiscal 2018, 2017 and 2016.

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Summary of Funded Status

The Company uses a June 30 measurement date for all pension and postretirement benefit plans. The combined domestic and foreign pension and postretirement benefit plans resulted in a net pension and postretirement benefits liability of \$120 million and \$312 million at June 30, 2018 and 2017, respectively. The Company recognized these amounts in the Balance Sheets at June 30, 2018 and 2017 as follows:

	Pension Benefits		Postretirement		Total			
	Domestic	Foreign	benefits		Total			
	As of June 30,							
	2018	2017	2018	2017	2018	2017		
	(in millions)							
Other non-current assets	\$ —	\$ —	\$ 135	\$ 17	\$ —	\$ —	\$ 135	\$ 17
Other current liabilities	—	—	(1)	(1)	(9)	(9)	(10)	(10)
Retirement benefit obligations	(74)	(91)	(74)	(120)	(97)	(108)	(245)	(319)
Net amount recognized	<u>\$(74)</u>	<u>\$(91)</u>	<u>\$ 60</u>	<u>\$(104)</u>	<u>\$(106)</u>	<u>\$(117)</u>	<u>\$(120)</u>	<u>\$(312)</u>

The following table sets forth the change in the projected benefit obligation, change in the fair value of the Company's plan assets and funded status:

	Pension Benefits		Postretirement		Total			
	Domestic	Foreign	Benefits		Total			
	As of June 30,							
	2018	2017	2018	2017	2018	2017		
	(in millions)							
Projected benefit obligation, beginning of the year	\$368	\$396	\$1,216	\$1,201	\$ 117	\$ 126	\$1,701	\$1,723
Service cost	—	—	6	9	—	—	6	9
Interest cost	12	12	29	29	3	3	44	44
Benefits paid	(27)	(23)	(45)	(39)	(8)	(8)	(80)	(70)
Settlements ^(a)	—	(13)	(29)	(23)	—	—	(29)	(36)
Actuarial loss/(gain) ^(b)	(19)	(4)	(151)	54	(6)	(3)	(176)	47
Foreign exchange rate changes	—	—	14	(15)	—	—	14	(15)
Amendments, transfers and other	—	—	—	—	—	(1)	—	(1)
Projected benefit obligation, end of the year	<u>334</u>	<u>368</u>	<u>1,040</u>	<u>1,216</u>	<u>106</u>	<u>117</u>	<u>1,480</u>	<u>1,701</u>
Change in the fair value of plan assets for the Company's benefit plans:								
Fair value of plan assets, beginning of the year	277	287	1,112	1,080	—	—	1,389	1,367
Actual return on plan assets	9	23	26	83	—	—	35	106
Employer contributions	1	3	28	23	—	—	29	26
Benefits paid	(27)	(23)	(45)	(39)	—	—	(72)	(62)
Settlements ^(a)	—	(13)	(29)	(23)	—	—	(29)	(36)
Foreign exchange rate changes	—	—	8	(12)	—	—	8	(12)
Fair value of plan assets, end of the year	<u>260</u>	<u>277</u>	<u>1,100</u>	<u>1,112</u>	<u>—</u>	<u>—</u>	<u>1,360</u>	<u>1,389</u>
Funded status	<u>\$(74)</u>	<u>\$(91)</u>	<u>\$ 60</u>	<u>\$(104)</u>	<u>\$(106)</u>	<u>\$(117)</u>	<u>\$(120)</u>	<u>\$(312)</u>

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- (a) Amounts related to payments made to former employees of the Company in full settlement of their deferred pension benefits.
- (b) Fiscal 2018 actuarial gains related to domestic and foreign pension plans primarily relates to the increase in discount rates for the U.S. and U.K. plans used in measuring plan obligations as of June 30, 2018. Fiscal 2017 actuarial losses for the Company's foreign pension plans are primarily related to the decrease in discount rates used in measuring plan obligations as of June 30, 2017. Fiscal 2017 actuarial gains related to domestic pension plans primarily relate to the increase in discount rates for the U.S. plans used in measuring plan obligations as of June 30, 2017.

Amounts recognized in Accumulated other comprehensive loss consist of:

	Pension Benefits		Postretirement Benefits			Total		
	Domestic	Foreign	As of June 30,					
	2018	2017	2018	2017	2018	2017		
	(in millions)							
Actuarial losses (gains)	\$126	\$142	\$316	\$453	\$ (7)	\$ (1)	\$435	\$594
Prior service (benefit) cost	—	—	—	—	(28)	(31)	(28)	(31)
Net amounts recognized	<u>\$126</u>	<u>\$142</u>	<u>\$316</u>	<u>\$453</u>	<u>\$(35)</u>	<u>\$(32)</u>	<u>\$407</u>	<u>\$563</u>

Amounts in Accumulated other comprehensive loss expected to be recognized as a component of net periodic benefit cost in fiscal 2019 consist of:

	Pension Benefits		Postretirement Benefits		Total		
	Domestic	Foreign	As of June 30, 2018				
	(in millions)						
Actuarial losses (gains)		\$ 4	\$10		\$ —		\$14
Prior service (benefit) cost		—	—		(3)		(3)
Net amounts recognized		<u>\$ 4</u>	<u>\$10</u>		<u>\$ (3)</u>		<u>\$11</u>

Accumulated pension benefit obligations as of June 30, 2018 and 2017 were \$1,364 million and \$1,567 million, respectively. Below is information about funded and unfunded pension plans.

	Domestic Pension Benefits					
	Funded Plans		Unfunded Plans		Total	
	As of June 30,					
	2018	2017	2018	2017	2018	2017
	(in millions)					
Projected benefit obligation	\$ 320	\$ 354	\$ 14	\$ 14	\$ 334	\$ 368
Accumulated benefit obligation	320	354	14	14	334	368
Fair value of plan assets	260	277	—	—	260	277

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	Foreign Pension Benefits					
	Funded Plans		Unfunded Plans		Total	
			As of June 30,			
	2018	2017	2018	2017	2018	2017
	(in millions)					
Projected benefit obligation	\$ 971	\$1,144	\$69	\$72	\$1,040	\$1,216
Accumulated benefit obligation	961	1,126	69	72	1,030	1,198
Fair value of plan assets	1,100	1,112	—	—	1,100	1,112

The accumulated benefit obligation exceeds the fair value of plan assets for all domestic pension plans. Below is information about foreign pension plans in which the accumulated benefit obligation exceeds the fair value of the plan assets.

	Foreign Pension Benefits					
	Funded Plans		Unfunded Plans		Total	
			As of June 30,			
	2018	2017	2018	2017	2018	2017
	(in millions)					
Projected benefit obligation	\$235	\$550	\$69	\$72	\$304	\$622
Accumulated benefit obligation	235	550	69	72	304	622
Fair value of plan assets	229	509	—	—	229	509

Summary of Net Periodic Benefit Costs

The Company recorded \$3 million, \$1 million, and \$8 million in net periodic benefit costs in the Statements of Operations for the fiscal years ended June 30, 2018, 2017 and 2016, respectively. In fiscal 2017, the Company changed the method used to estimate the service and interest cost components of net periodic benefit costs for its pension and other postretirement benefit plans. For fiscal 2016 and previous periods presented, the Company estimated the service and interest cost components utilizing a single weighted-average discount rate for each country derived from a yield curve used to measure the benefit obligation. The new method utilized a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their underlying projected cash flows. The Company changed to the new method to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates. The change was accounted for as a change in accounting estimate and was applied prospectively.

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The amortization of amounts related to unrecognized prior service costs (credits), deferred losses and settlements, curtailments and other were reclassified out of Other comprehensive income as a component of net periodic benefit costs. The components of net periodic benefits costs (income) were as follows:

	Pension Benefits									Postretirement Benefits			Total		
	Domestic			Foreign			Postretirement Benefits			Total					
	For the fiscal years ended June 30,														
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016			
	(in millions)														
Service cost benefits earned during the period	\$ —	\$ —	\$ —	\$ 6	\$ 9	\$ 10	\$ —	\$ —	\$ —	\$ 6	\$ 9	\$ 10			
Interest costs on projected benefit obligations	12	12	17	29	29	44	3	3	5	44	44	66			
Expected return on plan assets	(18)	(18)	(19)	(53)	(57)	(62)	—	—	—	(71)	(75)	(81)			
Amortization of deferred losses	5	5	4	18	16	14	—	—	—	23	21	18			
Amortization of prior service costs	—	—	—	—	—	—	(3)	(4)	(7)	(3)	(4)	(7)			
Settlements, curtailments and other	—	3	—	4	3	2	—	—	—	4	6	2			
Net periodic benefits costs (income)—															
Total	\$ (1)	\$ 2	\$ 2	\$ 4	\$ —	\$ 8	\$ —	\$ (1)	\$ (2)	\$ 3	\$ 1	\$ 8			

	Pension Benefits						Postretirement Benefits		
	Domestic			Foreign			Postretirement Benefits		
	For the fiscal years ended June 30,								
	2018	2017	2016	2018	2017	2016	2018	2017	2016

Additional information:

Weighted-average assumptions used to determine benefit obligations

Discount rate	4.2%	3.8%	3.7%	2.8%	2.7%	2.9%	4.0%	3.5%	3.4%
Rate of increase in future compensation	N/A	N/A	N/A	3.1%	2.8%	2.7%	N/A	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit cost									
Discount rate for PBO	3.8%	3.8%	4.5%	2.7%	2.9%	3.7%	3.5%	3.4%	4.2%
Discount rate for Service Cost	4.0%	4.1%	4.5%	3.8%	3.1%	3.7%	3.9%	3.7%	4.2%
Discount rate for Interest on PBO	3.3%	3.0%	4.5%	2.4%	2.5%	3.7%	2.9%	2.6%	4.2%
Discount rate for Interest on Service Cost	3.8%	3.8%	4.5%	3.4%	2.9%	3.7%	3.5%	3.2%	4.2%
Expected return on plan assets	6.5%	6.5%	6.5%	4.7%	5.5%	5.5%	N/A	N/A	N/A
Rate of increase in future compensation	N/A	N/A	3.0%	2.8%	2.7%	2.9%	N/A	N/A	N/A

N/A—not applicable

The following assumed health care cost trend rates as of June 30 were also used in accounting for postretirement benefits:

	Postretirement benefits	
	Fiscal 2018	Fiscal 2017
Health care cost trend rate	6.8%	6.8%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.6%	4.6%
Year that the rate reaches the ultimate trend rate	2027	2027

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Assumed health care cost trend rates could have a significant effect on the amounts reported for the postretirement health care plan. The effect of a one percentage point increase and one percentage point decrease in the assumed health care cost trend rate would have the following effects on the results for fiscal 2018:

	Service and Interest Costs	Benefit Obligation
	(in millions)	
One percentage point increase	\$ —	\$ 2
One percentage point decrease	\$ —	\$(2)

The following table sets forth the estimated benefit payments for the next five fiscal years, and in aggregate for the five fiscal years thereafter. The expected benefits are estimated based on the same assumptions used to measure the Company's benefit obligation at the end of the fiscal year and include benefits attributable to estimated future employee service:

	Expected Benefit Payments			
	Pension Benefits		Postretirement Benefits	Total
	Domestic	Foreign		
	(in millions)			
Fiscal year:				
2019	\$ 25	\$ 47	\$ 9	\$ 81
2020	21	49	9	79
2021	20	49	9	78
2022	20	51	8	79
2023	20	53	8	81
2024-2028	103	256	37	396

Plan Assets

The Company applies the provisions of ASC 715, which requires disclosures including: (i) investment policies and strategies; (ii) the major categories of plan assets; (iii) the inputs and valuation techniques used to measure plan assets; (iv) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and (v) significant concentrations of risk within plan assets.

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The table below presents the Company’s plan assets by level within the fair value hierarchy, as described in Note 2—Summary of Significant Accounting Policies, as of June 30, 2018 and 2017:

	As of June 30, 2018					As of June 30, 2017				
	Fair Value Measurements at Reporting Date Using					Fair Value Measurements at Reporting Date Using				
	Total	Level 1	Level 2	Level 3	NAV	Total	Level 1	Level 2	Level 3	NAV
	(in millions)									
Assets										
Pooled funds: ^(a)										
Domestic equity funds	\$ 73	\$ —	\$ —	\$ —	\$ 73	\$ 78	\$ —	\$ —	\$ —	\$ 78
International equity funds	206	—	—	—	206	196	—	—	—	196
Domestic fixed income funds	142	—	—	—	142	151	—	—	—	151
International fixed income funds	679	—	—	—	679	642	—	—	—	642
Balanced funds	186	—	107	—	79	255	—	182	—	73
Other	74	64	—	10	—	67	55	1	11	—
Total	<u>\$1,360</u>	<u>\$ 64</u>	<u>\$107</u>	<u>\$ 10</u>	<u>\$1,179</u>	<u>\$1,389</u>	<u>\$ 55</u>	<u>\$183</u>	<u>\$ 11</u>	<u>\$1,140</u>

(a) Open-ended pooled funds that are registered and/or available to the general public are valued at the daily published net asset value (“NAV”). Other pooled funds are valued at the NAV provided by the fund issuer.

The table below sets forth a summary of changes in the fair value of investments reflected as Level 3 assets as of June 30, 2018 and 2017:

	Level 3 Investments (in millions)
Balance, June 30, 2016	\$11
Actual return on plan assets:	
Relating to assets still held at end of period	—
Relating to assets sold during the period	—
Purchases, sales, settlements and issuances	—
Transfers in and out of Level 3	—
Balance, June 30, 2017	\$11
Actual return on plan assets:	
Relating to assets still held at end of period	—
Relating to assets sold during the period	—
Purchases, sales, settlements and issuances	(1)
Transfers in and out of Level 3	—
Balance, June 30, 2018	<u>\$10</u>

The Company’s investment strategy for its pension plans is to maximize the long-term rate of return on plan assets within an acceptable level of risk in order to minimize the cost of providing pension benefits while maintaining adequate funding levels. The Company’s practice is to conduct a periodic strategic review of its asset allocation. The Company’s current broad strategic targets are to have a pension asset portfolio comprised of 23% equity securities, 65% fixed income securities and 12% in cash and other investments. In developing the expected long-term rate of return, the Company considered the pension asset portfolio’s past average rate of

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returns and future return expectations of the various asset classes. A portion of the other allocation is reserved in cash to provide for expected benefits to be paid in the short term. The Company's equity portfolios are managed in such a way as to achieve optimal diversity. The Company's fixed income portfolio is investment grade in the aggregate. The Company does not manage any assets internally.

The Company's benefit plan weighted-average asset allocations, by asset category, are as follows:

Asset Category:	Pension benefits	
	As of June 30,	
	2018	2017
Equity securities	23%	22%
Debt securities	65%	62%
Cash and other	12%	16%
Total	100%	100%

Required pension plan contributions for the next fiscal year are expected to be approximately \$17 million; however, actual contributions may be affected by pension asset and liability valuation changes during the year. The Company will continue to make voluntary contributions as necessary to improve funded status.

NOTE 18. OTHER POSTRETIREMENT BENEFITS

Multiemployer Pension and Postretirement Plans

The Company contributes to various multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover certain of its union-represented employees, primarily at the newspaper businesses. The risks of participating in these multiemployer pension plans are different from single-employer pension plans in that (i) contributions made by the Company to the multiemployer pension plans may be used to provide benefits to employees of other participating employers; (ii) if the Company chooses to stop participating in certain of these multiemployer pension plans, it may be required to pay those plans an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability; and (iii) actions taken by a participating employer that lead to a deterioration of the financial health of a multiemployer pension plan may result in the unfunded obligations of the multiemployer pension plan being borne by its remaining participating employers. While no multiemployer pension plan that the Company contributed to is individually significant to the Company, the Company was listed on certain Form 5500s as providing more than 5% of total contributions based on the current information available. The financial health of a multiemployer plan is indicated by the zone status, as defined by the Pension Protection Act of 2006, which represents the funded status of the plan as certified by the plan's actuary. In general, plans in the red zone are less than 65% funded, plans in the yellow zone are between 65% and 80% funded, and plans in the green zone are at least 80% funded. The funded status for two of the plans for which the Company was listed as providing more than 5% of total contributions reported green zone status for the most recent available plan year. The funded status for one of the plans for which the Company was listed as providing more than 5% of total contributions reported red zone status for the most recent available plan year. Total contributions made by the Company to multiemployer pension plans for each of the fiscal years ended June 30, 2018, 2017 and 2016 were approximately \$5 million.

Defined Contribution Plans

The Company has defined contribution plans for the benefit of substantially all employees meeting certain eligibility requirements. Employer contributions to such plans were \$145 million, \$137 million and \$132 million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

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Deferred Compensation Plan

The Company has non-qualified deferred compensation plans for the benefit of certain management employees. The investment funds offered to the participants generally correspond to the funds offered in the Company's 401(k) plan, and the account balance fluctuates with the investment returns on those funds. The unfunded obligations of the plans included in Other liabilities as of June 30, 2018 and 2017 were \$41 million and \$40 million, respectively, and the majority of these plans are closed to new employees.

NOTE 19. INCOME TAXES

Income taxes are recognized for the amount of taxes payable for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using the enacted statutory tax rates and are adjusted for any changes in such rates in the period of change.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act includes significant changes to the U.S. corporate income tax system including, among other things, lowering the U.S. statutory federal tax rate to 21%. As the Company has a June 30 fiscal year-end, the impact of the lower tax rate will be phased in resulting in a U.S. statutory federal tax rate of approximately 28% for the fiscal year ended June 30, 2018 and a 21% U.S. statutory federal tax rate for fiscal years thereafter. There are also certain transitional impacts of the Tax Act. As part of the transition to a new partial territorial tax system, the Tax Act imposed a one-time repatriation tax on deemed repatriation of historical earnings of foreign subsidiaries ("transition tax"). In addition, the reduction of the U.S. corporate tax rate caused us to adjust our U.S. deferred tax assets and liabilities to the lower federal rate of 21%. The Tax Act also adds many new provisions, some of which do not apply until fiscal 2019, including changes to bonus depreciation, limits on deductions for executive compensation and interest expense, a tax on global intangible low-taxed income ("GILTI"), the base erosion anti-abuse tax ("BEAT") and a deduction for foreign-derived intangible income. The Company has elected to account for the tax on GILTI and BEAT as a period cost and thus has not adjusted any net deferred tax assets of its foreign subsidiaries for the new tax. However, the Company has considered the potential impact of GILTI and BEAT on its U.S. federal net operating loss ("NOL") carryforward and determined that the projected tax benefit to be received from its NOL carryforward may be reduced due to these provisions.

The changes included in the Tax Act are broad and complex. The SEC issued Staff Accounting Bulletin No. 118 (SAB 118), as amended by ASU 2018-05, which provides guidance for companies related to the Tax Act. ASU 2018-05 allows for a measurement period of up to one year after the enactment date of the Tax Act to finalize the recording of the related tax impacts. The Company's accounting for the tax effects of the Tax Act will be completed during this measurement period and is expected to be finalized in the second quarter of fiscal 2019 pending further SEC guidance. The final transition impacts of the Tax Act may differ from the Company's current estimates, possibly materially, due to, among other things, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, any changes in accounting standards for income taxes or related interpretations in response to the Tax Act, or any updates or changes to estimates the Company has utilized to calculate the transition impacts.

In accordance with ASU 2018-05, the Company has made provisional estimates related to (1) the re-measurement of U.S. deferred tax balances for the reduction in the tax rate, (2) the liability for the transition tax and (3) the partial valuation allowance recorded against its federal NOL carryforward due to the impact of the GILTI and BEAT provisions. As a result, the Company recognized a net provisional income tax expense of \$237 million associated with these items in the fiscal year ended June 30, 2018.

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The components of the provisional amounts recognized as part of the Tax Act are as follows:

	For the fiscal year ended June 30, 2018
	(in millions)
Re-measurement of U.S. deferred tax balances	\$141
Valuation allowance recorded due to impact of GILTI and BEAT	64
Transition tax	26
Other	6
Income tax expense	<u>\$237</u>

(Loss) income from continuing operations before income tax expense (benefit) was attributable to the following jurisdictions:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
U.S.	\$ (55)	\$ 84	\$(125)
Foreign	<u>(1,034)</u>	<u>(699)</u>	<u>306</u>
(Loss) income from continuing operations before income tax expense (benefit)	<u>\$ (1,089)</u>	<u>\$ (615)</u>	<u>\$ 181</u>

The significant components of the Company's income tax expense (benefit) were as follows:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Current:			
U.S.			
Federal	\$ 4	\$ 1	\$ 15
State & Local	8	4	5
Foreign	<u>107</u>	<u>118</u>	<u>102</u>
Total current tax	<u>119</u>	<u>123</u>	<u>122</u>
Deferred:			
U.S.			
Federal	269	57	(71)
State & Local	(9)	(1)	(106)
Foreign	<u>(24)</u>	<u>(151)</u>	<u>1</u>
Total deferred tax	<u>236</u>	<u>(95)</u>	<u>(176)</u>
Total income tax expense (benefit) ^(a)	<u>\$355</u>	<u>\$ 28</u>	<u>\$ (54)</u>

- (a) The Company recognized a tax benefit of approximately \$144 million upon reclassification of the Digital Education segment to discontinued operations in (Loss) income from discontinued operations, net of tax, in the Statement of Operations in fiscal year 2016. In addition, a tax benefit of \$30 million related to the operations of the Digital Education segment was recorded to discontinued operations in (Loss) income from discontinued operations, net of tax, in the Statement of Operations in fiscal year 2016. The tax expense (benefit) shown above excludes the tax benefit of the Company's digital education business in fiscal year 2016.

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The reconciliation between the Company's actual effective tax rate and the statutory U.S. Federal income tax rate was as follows:

	For the fiscal years ended June 30,		
	2018	2017	2016
U.S. federal income tax rate ^(a)	28%	35%	35%
State and local taxes, net	(1)	—	(8)
Effect of foreign operations ^(b)	(2)	(17)	(1)
Change in valuation allowance ^(c)	1	(7)	(62)
Non-deductible goodwill and asset impairments ^(d)	(32)	(7)	—
Impact of the Tax Act ^(e)	(22)	—	—
Write-off of channel distribution agreement ^(f)	(9)	—	—
Income tax audit settlements ^(g)	5	(10)	—
Non-deductible compensation and benefits	(1)	(1)	3
R&D credits	—	1	(2)
Other, net	—	1	5
Effective tax rate ^(h)	<u>(33)%</u>	<u>(5)%</u>	<u>(30)%</u>

- (a) As the Company has a June 30 fiscal year-end, the impact of the lower tax rate from the Tax Act will be phased in resulting in a U.S. statutory federal tax rate of approximately 28% for the fiscal year ended June 30, 2018 and a 21% U.S. statutory federal tax rate for fiscal years thereafter.
- (b) The Company's effective tax rate is impacted by the geographic mix of its pre-tax income. The Company's foreign operations are located primarily in Australia and the United Kingdom ("U.K.") which prior to fiscal year ended June 30, 2018 had lower income tax rates than the U.S.
- (c) For the fiscal year ended June 30, 2017, valuation allowance increased by \$40 million related to foreign net operating losses, which more likely than not will not be utilized.
- For the fiscal year ended June 30, 2016, included in the change in valuation allowance is a tax benefit of \$106 million related to the release of previously established valuation allowances related to certain U.S. federal NOLs and state deferred tax assets. This benefit was recognized in conjunction with management's plan to dispose of the Company's digital education business during fiscal 2016, as the Company now expects to generate sufficient U.S. taxable income to utilize these deferred tax assets prior to expiration.
- (d) For the fiscal year ended June 30, 2018, the Company recorded non-cash charges of \$218 million related to the impairment of goodwill and a write-down of assets and investments of approximately \$1.1 billion, which reduced the Company's tax benefit by \$54 million and \$301 million, respectively. These impairments and write-downs have an impact on our effective tax rate to the extent a tax benefit is not recorded.
- For the fiscal year ended June 30, 2017, the Company recorded non-cash charges of \$48 million related to the impairment of goodwill, which was non-deductible, and a write-down of \$360 million on U.K. fixed assets, a portion of which were non-deductible, which reduced the Company's tax benefit by \$12 million and \$29 million, respectively. These impairments and write-downs have an impact on our effective tax rate to the extent a tax benefit is not recorded.

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- (e) As a result of the Tax Act, the Company recognized a net provisional income tax expense of \$237 million primarily related to the re-measurement of U.S. deferred tax balances for the reduction in tax rate, valuation allowances recorded on certain deferred tax assets, and the liability for the transition tax.
- (f) Represents the tax effect of the write-off of the FOX SPORTS Australia channel distribution agreement intangible asset as a result of the Transaction as well as other costs directly attributable to the Transaction.
- (g) In the fiscal year ended June 30, 2018, certain pre-Separation tax matters were effectively settled with the Internal Revenue Service. As a result of the settlement, the Company recorded a net income tax benefit of \$49 million, comprised of a current tax benefit of \$2 million and a deferred tax benefit of \$47 million.

In the fiscal year ended June 30, 2017, the Company reached an agreement with a foreign tax authority to settle certain tax issues related to fiscal years 2010 through 2015. As a result of the settlement, the Company recorded net income tax expense of \$63 million. See “Uncertain Tax Positions” below.
- (h) For the fiscal years ended June 30, 2018 and June 30, 2017, the effective tax rates of (33)% and (5)%, respectively, represents income tax expense when compared to consolidated pre-tax book loss. For the fiscal year ended June 30, 2016, the effective tax rate of (30)% represents income tax benefit when compared to consolidated pre-tax book income.

The Company recognized deferred income taxes in the Balance Sheets at June 30, 2018 and 2017, respectively, as follows:

	As of June 30,	
	2018	2017
	(in millions)	
Deferred income tax assets	\$ 279	\$525
Deferred income tax liabilities	(389)	(61)
Net deferred tax (liabilities) assets	\$(110)	\$464

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The significant components of the Company's deferred tax assets and liabilities were as follows:

	As of June 30,	
	2018	2017
	(in millions)	
Deferred tax assets:		
Accrued liabilities	\$ 95	\$ 80
Capital loss carryforwards	889	904
Retirement benefit obligations	38	101
Net operating loss carryforwards	348	473
Business tax credits	62	69
Other	294	284
Total deferred tax assets	1,726	1,911
Deferred tax liabilities:		
Asset basis difference and amortization	(362)	(204)
Other	(89)	(56)
Total deferred tax liabilities	(451)	(260)
Net deferred tax asset before valuation allowance	1,275	1,651
Less: valuation allowance (See Note 22—Valuation and Qualifying Accounts)	(1,385)	(1,187)
Net deferred tax (liabilities) assets	\$ (110)	\$ 464

As of June 30, 2018, the Company had income tax NOL Carryforwards (gross, net of uncertain tax benefits), in various jurisdictions as follows:

Jurisdiction	Expiration	Amount (in millions)
U.S. Federal	2021 to 2037	\$635
U.S. States	Various	455
Australia	Indefinite	304
U.K.	Indefinite	4
Other Foreign	Various	423

Utilization of the NOLs is dependent on generating sufficient taxable income from our operations in each of the respective jurisdictions to which the NOLs relate, while taking into account tax filing methodologies and limitations and/or restrictions on our ability to use them. Certain of our U.S. federal NOLs were acquired as part of the acquisitions of Move and Harlequin and are subject to limitations as promulgated under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). Section 382 of the Code limits the amount of NOL that we can use on an annual basis to offset consolidated U.S. taxable income. The NOLs are also subject to review by relevant tax authorities in the jurisdictions to which they relate.

The Company recorded a deferred tax asset of \$348 million and \$473 million associated with its NOLs (net of approximately \$45 million and \$46 million, respectively, of unrecognized tax benefits recorded against deferred tax assets) as of June 30, 2018 and 2017, respectively. Significant judgment is applied in assessing our ability to realize our NOLs. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize existing deferred tax assets within the applicable expiration period.

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On the basis of this evaluation, valuation allowances of \$195 million and \$149 million have been established to reduce the deferred tax asset associated with the Company's NOLs to an amount that will more likely than not be realized as of June 30, 2018 and 2017, respectively. In the fiscal year ended June 30, 2018, the increase in valuation allowance includes \$64 million related to the impacts of the GILTI and BEAT provisions under the Tax Act.

As of June 30, 2018, the Company had approximately \$2.0 billion and \$1.7 billion of capital loss carryforwards in Australia and the U.K., respectively, which may be carried forward indefinitely. The capital loss carryforwards are also subject to review by relevant tax authorities in the jurisdictions to which they relate. Realization of our capital losses is dependent on generating capital gain taxable income and satisfying certain continuity of business requirements. The Company recorded a deferred tax asset of \$889 million and \$904 million as of June 30, 2018 and 2017, respectively for these capital loss carryforwards. However, it is more likely than not that the Company will not generate capital gain income in the normal course of business in these jurisdictions. Accordingly, valuation allowances of \$889 million and \$904 million have been established to reduce the capital loss carryforward deferred tax asset to an amount that will more likely than not be realized as of June 30, 2018 and 2017, respectively.

As of June 30, 2018, the Company had approximately \$36 million of U.S. federal tax credit carryforwards which includes \$24 million of foreign tax credits and \$9 million of research and development credits, which begin to expire in 2025 and 2036, respectively, and \$3 million of alternative minimum tax credits which will be carried forward indefinitely.

As of June 30, 2018, the Company had approximately \$19 million of non-U.S. tax credit carryforwards which expire in various amounts beginning in 2025 and \$7 million of state tax credit carryforwards (net of U.S. federal benefit), which expire in various amounts beginning in 2018.

In accordance with the Company's accounting policy, a valuation allowance of \$45 million has been established to reduce the deferred tax asset associated with the Company's U.S. foreign tax credits, non-U.S. and state credit carryforwards to an amount that will more likely than not be realized as of June 30, 2018.

Uncertain Tax Positions

The following table sets forth the change in the Company's unrecognized tax benefits, excluding interest and penalties:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Balance, beginning of period	\$64	\$ 86	\$129
Additions for prior year tax positions	2	107	6
Additions for current year tax positions	3	5	4
Reduction for prior year tax positions	(4)	(9)	(40)
Lapse of the statute of limitations	(3)	(8)	(2)
Settlement—cash	—	(21)	(2)
Settlement—tax attributes	(2)	(94)	—
Impact of currency translations	2	(2)	(9)
Balance, end of period	<u>\$62</u>	<u>\$ 64</u>	<u>\$ 86</u>

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The Company recognizes interest and penalty charges related to unrecognized tax benefits as income tax expense, which is consistent with the recognition in prior reporting periods. The Company recognized interest and penalty charges of \$1 million and \$11 million for the fiscal years ended June 30, 2018 and June 30, 2017, respectively, and a benefit related to interest and penalties of \$1 million for the fiscal year ended June 30, 2016. The Company recorded liabilities for accrued interest and penalties of approximately \$3 million, \$3 million and \$6 million as of June 30, 2018, 2017, and 2016, respectively.

In the fiscal year ended June 30, 2018, certain pre-Separation tax matters were effectively settled with the Internal Revenue Service. As a result of the settlement, the Company recorded a net income tax benefit of \$49 million, comprised of a current tax benefit of \$2 million and a deferred tax benefit of \$47 million.

In the fiscal year ended June 30, 2017, the Company reached an agreement with a foreign tax authority to settle certain tax issues related to fiscal years 2010 through 2015. As a result of the settlement, the Company recorded net income tax expense, including interest and penalties of \$63 million comprised of a current tax expense of \$20 million and a deferred tax expense of \$43 million.

The Company’s tax returns are subject to on-going review and examination by various tax authorities. Tax authorities may not agree with the treatment of items reported in our tax returns, and therefore the outcome of tax reviews and examinations can be unpredictable. The Company is currently undergoing tax examinations in the U.S., various states and foreign jurisdictions. During the year ended June 30, 2018, the Internal Revenue Service commenced an audit of the Company for the year ended June 30, 2014. The Company believes it has appropriately accrued for the expected outcome of uncertain tax matters and believes such liabilities represent a reasonable provision for taxes ultimately expected to be paid. However, the Company may need to accrue additional income tax expense and our liability may need to be adjusted as new information becomes known and as these tax examinations continue to progress, or as settlements or litigations occur.

The following is a summary of major tax jurisdictions for which tax authorities may assert additional taxes based upon tax years currently under audit and subsequent years that could be audited by the respective taxing authorities.

<u>Jurisdiction</u>	<u>Fiscal Years Open to Examination</u>
U.S. federal	2014-2017
U.S. state	Various
Australia	2014-2017
U.K.	2011-2017

It is reasonably possible that uncertain tax positions may increase or decrease in the next fiscal year, however, actual developments in this area could differ from those currently expected. As of June 30, 2018, approximately \$35 million would affect the Company’s effective income tax rate, if and when recognized in future fiscal years. It is reasonably possible, the amount of uncertain tax liabilities which may be resolved within the next fiscal year is between the range of approximately nil and \$18 million, a portion of which will affect our effective income tax rate, primarily as a result of the settlement of tax examinations and the lapsing of statutes of limitations.

Other

Prior to the passage of the Tax Act, the Company asserted that substantially all of the undistributed earnings were considered indefinitely reinvested and accordingly, no deferred taxes were provided. Pursuant to the provisions promulgated in the Tax Act these earnings were subjected to the one-time transition tax, for which a provisional charge was recorded. It is the Company’s intention to reinvest in these subsidiaries indefinitely as the Company

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does not anticipate the need to repatriate funds to satisfy domestic liquidity needs. An actual repatriation from these subsidiaries could be subject to foreign withholding taxes and U.S. state taxes. Calculation of the unrecognized tax liabilities is not practicable. Undistributed earnings of foreign subsidiaries considered to be indefinitely reinvested amounted to approximately \$2.6 billion as of June 30, 2018.

During the fiscal years ended June 30, 2018, 2017 and 2016, the Company paid gross income taxes of \$160 million, \$132 million and \$103 million, respectively, and received income tax refunds of \$7 million, \$9 million and \$10 million, respectively.

NOTE 20. SEGMENT INFORMATION

The Company manages and reports its businesses in the following five segments:

- **News and Information Services**—The News and Information Services segment includes the Company’s global print, digital and broadcast radio media platforms. These product offerings include the global print and digital versions of *The Wall Street Journal* and the Dow Jones Media Group, which includes *Barron’s* and MarketWatch, the Company’s suite of professional information products, including Factiva, Dow Jones Risk & Compliance, Dow Jones Newswires and DJX and its live journalism events. The Company also owns, among other publications, *The Australian*, *The Daily Telegraph*, *Herald Sun*, *The Courier Mail* and *The Advertiser* in Australia, *The Times*, *The Sunday Times*, *The Sun* and *The Sun on Sunday* in the U.K. and the *New York Post* in the U.S. This segment also includes News America Marketing, a leading provider of home-delivered shopper media, in-store marketing products and services and digital marketing solutions, including Checkout 51’s mobile application, as well as Unruly, a global video advertising marketplace, Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency.
- **Book Publishing**—The Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world, with operations in 18 countries and particular strengths in general fiction, nonfiction, children’s and religious publishing. HarperCollins owns more than 120 branded publishing imprints, including Harper, William Morrow, HarperCollins Children’s Books, Avon, Harlequin and Christian publishers Zondervan and Thomas Nelson, and publishes works by well-known authors such as Harper Lee, Patricia Cornwell, Chip and Joanna Gaines, Rick Warren, Sarah Young and Agatha Christie and popular titles such as *The Hobbit*, *Goodnight Moon*, *To Kill a Mockingbird*, *Jesus Calling* and *Hillbilly Elegy*.
- **Digital Real Estate Services**—The Digital Real Estate Services segment consists of the Company’s 61.6% interest in REA Group and 80% interest in Move. The remaining 20% interest in Move is held by REA Group. REA Group is a market-leading digital media business specializing in property and is listed on the Australian Securities Exchange (“ASX”) (ASX: REA). REA Group advertises property and property-related services on its websites and mobile applications across Australia and Asia, including Australia’s leading residential and commercial property websites, realestate.com.au and realcommercial.com.au, and property portals in Asia. In addition, REA Group provides property-related data to the financial sector and financial services through an end-to-end digital property search and financing experience and a mortgage broking offering.

Move is a leading provider of online real estate services in the U.S. and primarily operates realtor.com[®], a premier real estate information and services marketplace. Move offers real estate advertising solutions to agents and brokers, including its ConnectionsSM for Buyers and AdvantageSM Pro products. Move also offers a number of professional software and services products, including Top Producer[®], FiveStreet[®] and ListHub[™].

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- **Subscription Video Services**—The Company’s Subscription Video Services segment provides video sports, entertainment and news services to pay-TV subscribers and other commercial licensees, primarily via cable, satellite and Internet Protocol, or IP, distribution, and consists of (i) its 65% interest in new Foxtel and (ii) Australian News Channel Pty Ltd (“ANC”). The remaining 35% interest in new Foxtel is held by Telstra, an ASX-listed telecommunications company. New Foxtel is the largest pay-TV provider in Australia, with over 200 channels covering sports, general entertainment, movies, documentaries, music, children’s programming and news and broadcast rights to live sporting events in Australia including: National Rugby League, Australian Football League, Cricket Australia, the domestic football league, the Australian Rugby Union and various motorsports programming.

ANC operates the SKY NEWS network, Australia’s 24-hour multi-channel, multi-platform news service. ANC channels are distributed throughout Australia and New Zealand and available on Foxtel and Sky Network Television NZ. ANC also owns and operates the international Australia Channel IPTV service and offers content across a variety of digital media platforms, including mobile, podcasts and social media websites.

- **Other**—The Other segment consists primarily of general corporate overhead expenses, the corporate Strategy Group and costs related to the U.K. Newspaper Matters. The Company’s Strategy Group identifies new products and services across its businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions.

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses and excluding the NAM Group and Zillow legal settlements. Segment EBITDA does not include: depreciation and amortization, impairment and restructuring charges, equity losses of affiliates, interest, net, other, net, income tax (expense) benefit and net income attributable to noncontrolling interests. Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

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Segment EBITDA is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Revenues:			
News and Information Services	\$ 5,119	\$5,069	\$5,338
Book Publishing	1,758	1,636	1,646
Digital Real Estate Services	1,141	938	822
Subscription Video Services	1,004	494	484
Other	2	2	2
Total Revenues	\$ 9,024	\$8,139	\$8,292
Segment EBITDA:			
News and Information Services	\$ 392	\$ 414	\$ 214
Book Publishing	244	199	185
Digital Real Estate Services	401	324	344
Subscription Video Services	173	123	124
Other	(138)	(175)	(183)
Depreciation and amortization	(472)	(449)	(505)
Impairment and restructuring charges	(351)	(927)	(89)
Equity (losses) earnings of affiliates	(1,006)	(295)	30
Interest, net	(7)	39	43
Other, net	(325)	132	18
(Loss) income from continuing operations before income tax (expense) benefit	(1,089)	(615)	181
Income tax (expense) benefit	(355)	(28)	54
Net (loss) income from continuing operations	\$(1,444)	\$ (643)	\$ 235

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Depreciation and amortization:			
News and Information Services	\$223	\$283	\$347
Book Publishing	52	52	55
Digital Real Estate Services	87	78	69
Subscription Video Services	107	32	29
Other	3	4	5
Total Depreciation and amortization	\$472	\$449	\$505

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	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Capital expenditures:			
News and Information Services	\$173	\$165	\$174
Book Publishing	17	11	9
Digital Real Estate Services	78	66	64
Subscription Video Services	81	14	8
Other	15	—	1
Total Capital expenditures	\$364	\$256	\$256

	As of June 30,	
	2018	2017
	(in millions)	
Total assets:		
News and Information Services	\$ 6,039	\$ 6,142
Book Publishing	1,898	1,845
Digital Real Estate Services	2,171	2,307
Subscription Video Services	4,738	1,194
Other ^(a)	1,107	1,037
Investments	393	2,027
Total assets	\$16,346	\$14,552

(a) The Other segment primarily includes Cash and cash equivalents.

	As of June 30,	
	2018	2017
	(in millions)	
Goodwill and intangible assets, net:		
News and Information Services	\$2,730	\$2,952
Book Publishing	804	835
Digital Real Estate Services	1,502	1,420
Subscription Video Services	2,853	912
Other	—	—
Total Goodwill and intangible assets, net	\$7,889	\$6,119

Geographic Segments

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Revenues: ^(a)			
U.S. and Canada ^(b)	\$3,998	\$3,880	\$3,920
Europe ^(c)	1,766	1,671	1,873
Australasia and Other ^(d)	3,260	2,588	2,499
Total Revenues	\$9,024	\$8,139	\$8,292

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- (a) Revenues are attributed to region based on location of customer.
- (b) Revenues include approximately \$3.9 billion for fiscal 2018, \$3.7 billion for fiscal 2017 and \$3.8 billion for fiscal 2016 from customers in the U.S.
- (c) Revenues include approximately \$1.4 billion for fiscal 2018, \$1.3 billion for fiscal 2017 and \$1.5 billion for fiscal 2016 from customers in the U.K.
- (d) Revenues include approximately \$2.9 billion for fiscal 2018, \$2.3 billion for fiscal 2017 and \$2.3 billion for fiscal 2016 from customers in Australia.

	As of June 30,	
	2018	2017
	(in millions)	
Long-lived assets: ^(a)		
U.S. and Canada	\$ 937	\$ 960
Europe	682	560
Australasia and Other	1,772	546
Total long-lived assets	\$3,391	\$2,066

- (a) Reflects total assets less current assets, goodwill, intangible assets, investments and deferred income tax assets.

There is no material reliance on any single customer. Revenues are attributed to countries based on location of customers.

Australasia comprises Australia, Asia, Papua New Guinea and New Zealand.

NOTE 21. ADDITIONAL FINANCIAL INFORMATION

Other Non-Current Assets

The following table sets forth the components of Other non-current assets included in the Balance Sheets:

	As of June 30,	
	2018	2017
	(in millions)	
Royalty advances to authors	\$312	\$298
Inventory ^(a)	143	31
Other	376	113
Total Other non-current assets	\$831	\$442

- (a) Primarily consists of the non-current portion of programming rights.

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Other Current Liabilities

The following table sets forth the components of Other current liabilities:

	As of June 30,	
	2018	2017
	(in millions)	
Current tax payable	\$ 17	\$ 39
Royalties and commissions payable	187	152
Other	<u>168</u>	<u>306</u>
Total Other current liabilities	<u>\$372</u>	<u>\$497</u>

Other, net

The following table sets forth the components of Other, net included in the Statements of Operations:

	For the fiscal years		
	ended June 30,		
	2018	2017	2016
	(in millions)		
Loss on the Transaction ^(a)	\$(337)	\$ —	\$ —
Gain on sale of cost method investments	32	—	—
Gain on sale of REA Group's European business ^(b)	—	107	—
Impairment of marketable securities and cost method investments ^(c)	(33)	(21)	(21)
Other	<u>13</u>	<u>46</u>	<u>39</u>
Total Other, net	<u>\$(325)</u>	<u>\$132</u>	<u>\$ 18</u>

(a) See Note 3—Acquisitions, Disposals and Other Transactions.

(b) The Company recognized a pre-tax gain of \$107 million for the fiscal year ended June 30, 2017 related to REA Group's sale of its European business. See Note 3—Acquisitions, Disposals and Other Transactions.

(c) See Note 6—Investment.

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Accumulated Other Comprehensive Loss

The components of Accumulated other comprehensive loss were as follows:

	For the fiscal years ended June 30,		
	2018	2017	2016
	(in millions)		
Accumulated other comprehensive (loss) income, net of tax:			
Unrealized holding gains (losses) on securities:			
Balance, beginning of year	\$ (5)	\$ 20	\$ 19
Fiscal year activity ^(a)	<u>27</u>	<u>(25)</u>	<u>1</u>
Balance, end of year	<u>22</u>	<u>(5)</u>	<u>20</u>
Cash flow hedge adjustments:			
Balance, beginning of year	—	—	—
Fiscal year activity ^(b)	<u>4</u>	<u>—</u>	<u>—</u>
Balance, end of year	<u>4</u>	<u>—</u>	<u>—</u>
Benefit plan adjustments:			
Balance, beginning of year	(437)	(445)	(413)
Fiscal year activity ^(c)	<u>128</u>	<u>8</u>	<u>(32)</u>
Balance, end of year	<u>(309)</u>	<u>(437)</u>	<u>(445)</u>
Foreign currency translation adjustments:			
Balance, beginning of year	(510)	(585)	(188)
Fiscal year activity ^(d)	<u>(81)</u>	<u>75</u>	<u>(397)</u>
Balance, end of year	<u>(591)</u>	<u>(510)</u>	<u>(585)</u>
Share of other comprehensive income from equity affiliates, net:			
Balance, beginning of year	(12)	(16)	—
Fiscal year activity ^(e)	<u>12</u>	<u>4</u>	<u>(16)</u>
Balance, end of year	<u>—</u>	<u>(12)</u>	<u>(16)</u>
Total accumulated other comprehensive (loss), net of tax:			
Balance, beginning of year	(964)	(1,026)	(582)
Fiscal year activity, net of income taxes	<u>90</u>	<u>62</u>	<u>(444)</u>
Balance, end of year	<u><u>\$(874)</u></u>	<u><u>\$(964)</u></u>	<u><u>\$(1,026)</u></u>

(a) Net of income tax expense (benefit) of \$1 million, (\$10) million and nil for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

(b) Net of income tax expense of \$2 million, nil and nil for the fiscal years ended June 30, 2018, 2017 and 2016 respectively.

(c) Net of income tax expense (benefit) of \$28 million, \$8 million and (\$14) million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

(d) Excludes (\$42) million, \$9 million and (\$1) million relating to noncontrolling interests for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

(e) Net of income tax expense (benefit) of \$5 million, \$2 million and (\$7) million for the fiscal years ended June 30, 2018, 2017 and 2016, respectively.

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Supplemental Cash Flow Information

The following table sets forth the Company's cash paid for taxes and interest:

	As of June 30,	
	2018	2017
	(in millions)	
Cash paid for interest	\$ 29	\$ 12
Cash paid for taxes	160	132

NOTE 22. VALUATION AND QUALIFYING ACCOUNTS

	Balance at beginning of year	Additions	Acquisitions and disposals	Utilization	Foreign exchange	Balance at end of year
	(in millions)					
<u>Fiscal 2018</u>						
Allowances for returns and doubtful accounts	\$ (208)	\$(536)	\$ (5)	\$531	\$ 1	\$ (217)
Deferred tax valuation allowance	(1,187)	(409)	169	13	29	(1,385)
<u>Fiscal 2017</u>						
Allowances for returns and doubtful accounts	\$ (213)	\$(603)	\$ (2)	\$611	\$ (1)	\$ (208)
Deferred tax valuation allowance	(1,014)	(92)	(92)	23	(12)	(1,187)
<u>Fiscal 2016</u>						
Allowances for returns and doubtful accounts	\$ (220)	\$(566)	\$ (12)	\$582	\$ 3	\$ (213)
Deferred tax valuation allowance	(1,308)	(8)	109	114	79	(1,014)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23. QUARTERLY DATA (UNAUDITED)

For convenience purposes, all references to September 30, 2017 and September 30, 2016 refer to the three months ended October 1, 2017 and October 2, 2016, respectively. All references to December 31, 2017 and December 31, 2016 refer to the three months ended December 31, 2017 and January 1, 2017, respectively. All references to March 31, 2018 and March 31, 2017 refer to the three months ended April 1, 2018 and April 2, 2017, respectively.

	For the three months ended			
	September 30,	December 31,	March 31,	June 30,
	(in millions, except per share amounts)			
<u>Fiscal 2018</u>				
Revenues ^(a)	\$2,058	\$2,180	\$ 2,093	\$2,693
Net income (loss) ^(b)	87	(66)	(1,110)	(355)
Net income (loss) attributable to News Corporation stockholders	68	(83)	(1,128)	(371)
Income (loss) available to News Corporation stockholders per share—basic and diluted	\$ 0.12	\$ (0.14)	\$ (1.94)	\$ (0.64)
<u>Fiscal 2017</u>				
Revenues	\$1,965	\$2,116	\$ 1,978	\$2,080
Net loss ^(c)	—	(219)	—	(424)
Net loss attributable to News Corporation stockholders	(15)	(289)	(5)	(429)
Loss available to News Corporation stockholders per share— basic and diluted	\$ (0.03)	\$ (0.50)	\$ (0.01)	\$ (0.74)

(a) Revenue for the three months ended June 30, 2018 includes the impact of the consolidation of Foxtel.

(b) Net income (loss) for the fiscal year ended June 30, 2018 includes the impact of the following items:

- During the third quarter of fiscal 2018, the Company recognized a \$957 million non-cash write-down of the carrying value of its investment in Foxtel. See Note 6—Investments.
- During the third quarter of fiscal 2018, the Company recognized non-cash impairment charges of \$225 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit. See Note 8—Goodwill and Other Intangible Assets.
- During the fourth quarter of fiscal 2018, the loss on the Transaction primarily relates to the Company's, settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia which resulted in a \$317 million write-off of its channel distribution agreement intangible asset at the time of the Transaction. See Note 3—Acquisitions, Disposals and Other Transactions.

(c) Net loss for the fiscal year ended June 30, 2017 includes the impact of the following items:

- During the second quarter of fiscal 2017, the Company recognized a non-cash impairment charge of approximately \$310 million primarily related to the write-down of fixed assets at the Australian newspapers. See Note 7—Property, Plant and Equipment. The Company also recognized a \$227 million non-cash write-down of the carrying value of its investment in Foxtel to fair value. See Note 6—Investments.
- During the second quarter of fiscal 2017, REA Group sold its European business which resulted in a pre-tax gain of \$120 million. The gain was partially offset in the third quarter of fiscal 2017 by \$13 million related to the impact of foreign currency fluctuations on the receipt of the sales proceeds,

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which were received in February 2017, and certain other currency translation impacts. See Note 3—Acquisitions, Disposals and Other Transactions. See Note 7—Property, Plant and Equipment.

- During the fourth quarter of fiscal 2017, the Company recognized approximately \$464 million in impairment charges, primarily related to the write-down of fixed assets at the U.K. newspapers. See Note 7—Property, Plant and Equipment.

NOTE 24. SUBSEQUENT EVENTS

In August 2018, the Company declared a semi-annual cash dividend of \$0.10 per share for Class A Common Stock and Class B Common Stock. This dividend is payable on October 17, 2018 to stockholders of record as of September 12, 2018.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Annual Report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and were effective in ensuring that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management's report and the report of the independent registered public accounting firm thereon are set forth on pages 86 and 87, respectively, and are incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's fourth quarter of the fiscal year ended June 30, 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

In connection with its regular annual review and approval of executive officer compensation, the Compensation Committee of the Board of Directors (the "Compensation Committee") conducts a competitive review of the executive officers' target compensation opportunities, considering, in consultation with its independent compensation consultant, compensation data and practices of its compensation peers and current market trends and practices generally, along with the Company's pay-for-performance philosophy.

As a result of such review, the Compensation Committee on August 7, 2018 approved increases to target compensation for Ms. Susan Panuccio, the Company's Chief Financial Officer, and Mr. David Pitofsky, the Company's General Counsel, for fiscal 2019. Ms. Panuccio's annual base salary will be \$1,300,000; her performance-based bonus target will be \$1,500,000; and her performance-based equity award target will be \$1,500,000. Approximately 70% of Ms. Panuccio's target compensation will be "at risk." Mr. Pitofsky's annual base salary will be \$1,100,000; his performance-based bonus target will be \$1,000,000; and his performance-based equity award target will be \$1,250,000. Approximately 67% of Mr. Pitofsky's target compensation will be "at risk."

Also as a result of such review and on the recommendation of the Compensation Committee, the Board of Directors on August 8, 2018 approved an increase to target compensation for Mr. Robert Thomson, the Company's Chief Executive Officer, for fiscal 2019. His annual base salary, which had been unchanged since 2013, will be \$3,000,000; his performance-based bonus target will be \$5,000,000; and his performance-based equity award target will be \$6,000,000. Approximately 79% of Mr. Thomson's target compensation will be "at risk."

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item with respect to the Company's Directors is contained in the Proxy Statement for the Company's 2018 Annual Meeting of Stockholders (the "Proxy Statement") to be filed with the SEC under the heading "Proposal No. 1: Election of Directors" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the Company's executive officers is contained in the Proxy Statement under the heading "Executive Officers of News Corporation" and is incorporated by reference in this Annual Report.

The information required by this item with respect to compliance with Section 16(a) of the Exchange Act is contained in the Proxy Statement under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the Company's Standards of Business Conduct and Code of Ethics is contained in the Proxy Statement under the heading "Corporate Governance Matters—Corporate Governance Policies" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the procedures by which security holders may recommend nominees to the Board of Directors is contained in the Proxy Statement under the heading "Corporate Governance Matters—Stockholder Recommendation of Director Candidates" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the Company's Audit Committee, including the Audit Committee's members and its financial expert, is contained in the Proxy Statement under the heading "Corporate Governance Matters—Board Committees" and is incorporated by reference in this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item with respect to executive compensation and director compensation is contained in the Proxy Statement under the headings "Compensation Discussion and Analysis," "Executive Compensation," "Pay Ratio" and "Director Compensation," respectively, and is incorporated by reference in this Annual Report.

The information required by this item with respect to compensation committee interlocks and insider participation is contained in the Proxy Statement under the heading "Compensation Committee Interlocks and Insider Participation" and is incorporated by reference in this Annual Report.

The compensation committee report required by this item is contained in the Proxy Statement under the heading "Report of the Compensation Committee" and is incorporated by reference in this Annual Report.

The information required by this item with respect to compensation policies and practices as they relate to the Company's risk management is contained in the Proxy Statement under the heading "Risks Related to Compensation Policies and Practices" and is incorporated by reference in this Annual Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item with respect to securities authorized for issuance under the Company's equity compensation plans is contained in the Proxy Statement under the heading "Equity Compensation Plan Information" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the security ownership of certain beneficial owners and management is contained in the Proxy Statement under the heading “Security Ownership of News Corporation” and is incorporated by reference in this Annual Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item with respect to transactions with related persons is contained in the Proxy Statement under the heading “Corporate Governance Matters—Related Person Transactions Policy” and is incorporated by reference in this Annual Report.

The information required by this item with respect to director independence is contained in the Proxy Statement under the headings “Corporate Governance Matters—Director Independence” and “Corporate Governance Matters—Board Committees” and is incorporated by reference in this Annual Report.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is contained in the Proxy Statement under the headings “Fees Paid to Independent Registered Public Accounting Firm” and “Audit Committee Pre-Approval Policies and Procedures” and is incorporated by reference in this Annual Report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1. The Company's Consolidated Financial Statements required to be filed as part of this Annual Report and the Reports of Independent Registered Public Accounting Firm are included in Part II, Item 8. Financial Statements and Supplementary Data.
2. All other financial statement schedules are omitted because the required information is not applicable, or because the information called for is included in the Company's Consolidated Financial Statements or the Notes to the Consolidated Financial Statements.
3. Exhibits—The exhibits listed under Part (b) below are filed or incorporated by reference as part of this Annual Report. A “±” identifies each management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report, and such listing is incorporated herein by reference.

(b) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Description</u>
2.1	Separation and Distribution Agreement, dated June 28, 2013, among News Corporation, New News Corporation and News Corp Holdings UK & Ireland. (Incorporated by reference to Exhibit 2.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
2.2	Tax Sharing and Indemnification Agreement, dated June 28, 2013, between News Corporation and New News Corporation. (Incorporated by reference to Exhibit 2.3 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
2.3	FOX SPORTS Trade Mark Licence. (Incorporated by reference to Exhibit 2.5 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
2.4	FOX Trade Mark Licence. (Incorporated by reference to Exhibit 2.6 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
3.1	Restated Certificate of Incorporation of News Corporation.*
3.2	Amended and Restated By-laws of News Corporation. (Incorporated by reference to Exhibit 3.2 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
4.1	Third Amended and Restated Rights Agreement, dated as of June 18, 2018, between News Corporation and Computershare Trust Company, N.A., as Rights Agent. (Incorporated by reference to Exhibit 4.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on June 18, 2018.)
10.1	Amended and Restated Employment Agreement, dated March 9, 2016, among News Corporation, NC Transaction, Inc. and Robert Thomson. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on March 9, 2016.)±

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.2	Employment Agreement, dated February 23, 2017, between News Corporation and Susan Panuccio. (Incorporated by reference to Exhibit 10.3 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 10, 2017.)±
10.3	Amended and Restated Employment Agreement, dated November 9, 2017, between News Corporation and David Pitofsky. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on November 13, 2017.)±
10.4	News Corporation 2013 Long-Term Incentive Plan, as amended and restated effective August 6, 2014. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 11, 2014.)±
10.5	NC Transaction, Inc. Restoration Plan, amended and restated as of February 28, 2018. (Incorporated by reference to Exhibit 10.2 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 11, 2018.)±
10.6	Form of Agreement for FY2015-2017 and FY2016-2018 Cash-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.9 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 14, 2014.)±
10.7	Form of Agreement for FY2015-2017 and FY2016-2018 Stock-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.10 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 14, 2014.)±
10.8	Letter Agreement, dated June 27, 2014, from News Corporation to K. Rupert Murdoch. (Incorporated by reference to Exhibit 10.12 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 14, 2014.)±
10.9	Form of Agreement for Cash-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.9 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 12, 2016.)±
10.10	Form of Agreement for Stock-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.10 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 12, 2016.)±
10.11	Form of Agreement for Stock-Settled Restricted Share Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.11 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 12, 2016.)±
10.12	Credit Agreement, dated as of October 23, 2013, among News Corporation, as borrower, the lenders named therein, the initial issuing banks named therein, JPMorgan Chase Bank, N.A. and Citibank, N.A. as co-administrative agents, JPMorgan Chase Bank, N.A. as designated agent, Commonwealth Bank of Australia as syndication agent and J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Commonwealth Bank of Australia as joint lead arrangers and joint bookrunners. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on October 29, 2013.)

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.13	Amendment No. 1, dated as of October 23, 2015, to the Credit Agreement, dated as of October 23, 2013, among News Corporation, as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., as co-administrative agents, JPMorgan Chase Bank, N.A., as designated agent, and the other parties thereto. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on October 26, 2015.)
10.14	Amendment No. 2, dated as of July 13, 2016, to the Credit Agreement, dated as of October 23, 2013, among the Company, as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., as co-administrative agents, JPMorgan Chase Bank, N.A., as designated agent, and the other parties thereto. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on November 8, 2016.)
10.15	Amendment No. 3, dated as of March 29, 2018, to the Credit Agreement, dated as of October 23, 2013, among the Company, as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., as co-administrative agents, JPMorgan Chase Bank, N.A., as designated agent, and the other parties thereto. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 11, 2018.)
10.16	Syndicated Revolving Facility Agreement, dated as of October 8, 2013, among Foxtel Management Pty Limited, as initial borrower, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.17	Amendment Letter, dated as of June 17, 2014, in respect of the Syndicated Revolving Facility Agreement, dated as of October 8, 2013, among Foxtel Management Pty Limited, as initial borrower, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.18	Amendment Letter, dated as of June 12, 2015, in respect of the Syndicated Revolving Facility Agreement, dated as of October 8, 2013 (as amended from time to time), among Foxtel Management Pty Limited, as initial borrower, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.19	Syndicated Revolving Facility Agreement, dated as of June 17, 2014, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.20	Amendment Letter, dated as of June 12, 2015, in respect of the Syndicated Revolving Facility Agreement, dated as of June 17, 2014, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.21	Syndicated Revolving Facility Agreement, dated as of June 12, 2015, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.22	Syndicated Revolving Facility Agreement, dated as of September 12, 2016, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent.*
10.23	Multi-Option Facility Agreement, dated as of June 30, 2017, among Foxtel Management Pty Limited, Foxtel Finance Pty Limited and the other original borrowers listed therein and Commonwealth of Bank of Australia, as the original lender.*

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.24	Common Terms Deed Poll, dated as of April 10, 2012, made by Foxtel Management Pty Ltd and the other parties thereto acting as initial guarantors in favor of the finance parties defined therein.*
10.25	Guarantee Deed Poll, dated as of April 3, 2018, made by each of the parties thereto acting as guarantors in favor of the finance parties defined therein.*
10.26	Note and Guarantee Agreement, dated as of September 24, 2009, among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others.*
10.27	Waiver, Consent and Amendment Number 1, to the Note and Guarantee Agreement, dated as of September 24, 2009 among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others.*
10.28	Notice of Security Release and Amendment Number 2, to the Note and Guarantee Agreement, dated as of September 24, 2009 (as amended from time to time), among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others.*
10.29	Deed of Guarantee dated September 24, 2009 executed by each entity listed in Annex 1 thereto.*
10.30	Note and Guarantee Agreement, dated as of July 25, 2012, among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others.*
10.31	Deed of Guarantee dated July 25, 2012 executed by each entity listed in Annex 1 thereto.*
21.1	List of Subsidiaries.*
23.1	Consent of Ernst & Young LLP with respect to News Corporation.*
23.2	Consent of Ernst & Young with respect to Foxtel Group.*
31.1	Chief Executive Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
31.2	Chief Financial Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002.**
99.1	Audited Financial Statements of Foxtel Group as of and for the nine month period ended March 31, 2018.*
101	The following financial information from the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the fiscal years ended June 30, 2018, 2017 and 2016; (ii) Consolidated Statements of Comprehensive Loss for the fiscal years ended June 30, 2018, 2017 and 2016; (iii) Consolidated Balance Sheets as of June 30, 2018 and 2017; (iv) Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2018, 2017 and 2016; (v) Consolidated Statements of Equity for the fiscal years ended June 30, 2018, 2017 and 2016; and (vi) Notes to the Consolidated Financial Statements. *

* Filed herewith

** Furnished herewith

± Management contract or compensatory plan or arrangement

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWS CORPORATION
(Registrant)

By: /s/ Susan Panuccio
Susan Panuccio
Chief Financial Officer

Date: August 15, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u> /s/ Robert J. Thomson </u> Robert J. Thomson	Chief Executive Officer and Director (Principal Executive Officer)	August 15, 2018
<u> /s/ Susan Panuccio </u> Susan Panuccio	Chief Financial Officer (Principal Financial Officer)	August 15, 2018
<u> /s/ Kevin P. Halpin </u> Kevin P. Halpin	Principal Accounting Officer	August 15, 2018
<u> /s/ K. Rupert Murdoch </u> K. Rupert Murdoch	Executive Chairman	August 15, 2018
<u> /s/ Lachlan K. Murdoch </u> Lachlan K. Murdoch	Co-Chairman	August 15, 2018
<u> /s/ Kelly Ayotte </u> Kelly Ayotte	Director	August 15, 2018
<u> /s/ José María Aznar </u> José María Aznar	Director	August 15, 2018
<u> /s/ Natalie Bancroft </u> Natalie Bancroft	Director	August 15, 2018
<u> /s/ Peter L. Barnes </u> Peter L. Barnes	Director	August 15, 2018
<u> /s/ Joel I. Klein </u> Joel I. Klein	Director	August 15, 2018
<u> /s/ James R. Murdoch </u> James R. Murdoch	Director	August 15, 2018
<u> /s/ Ana Paula Pessoa </u> Ana Paula Pessoa	Director	August 15, 2018
<u> /s/ Masroor Siddiqui </u> Masroor Siddiqui	Director	August 15, 2018

RESTATED CERTIFICATE OF INCORPORATION
OF
NEWS CORPORATION

The name of the corporation (the “Corporation”) is NEWS CORPORATION. The original Certificate of Formation was filed with the Secretary of State of the State of Delaware on December 11, 2012, under the name “New Newscorp LLC.” On June 11, 2013, the Corporation was converted from a Delaware limited liability company to a Delaware corporation under the name “New Newscorp Inc” upon the filing of the certificate of conversion pursuant to Section 265 of the General Corporation Law of the State of Delaware (the “DGCL”) and the certificate of incorporation (the “Certificate of Incorporation”) pursuant to Section 103 of the DGCL. On June 28, 2013, the Corporation changed its name to “News Corporation” upon filing of a certificate of amendment pursuant to Sections 228 and 242 of the DGCL. On June 28, 2013, the Corporation amended and restated the Certificate of Incorporation in its entirety upon filing of an Amended and Restated Certificate of Incorporation pursuant to Sections 228, 242 and 245 of the DGCL. This Restated Certificate of Incorporation of the Corporation only restates and integrates and does not further amend the provisions of the Corporation’s Certificate of Incorporation as theretofore amended or supplemented and there is no discrepancy between the provisions of the Certificate of Incorporation as theretofore amended and supplemented and the provisions of this Restated Certificate of Incorporation. This Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Section 245 of the DGCL. The Certificate of Incorporation of the Corporation is hereby integrated and restated to read in its entirety as follows:

ARTICLE I

The name of the corporation (hereinafter called the “Corporation”) is NEWS CORPORATION.

ARTICLE II

The purpose or purposes of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE III

The address of the Corporation’s registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE IV

Section 1. Authorized Stock: No Pre-Emptive Rights

(a) The total number of shares of capital stock which the Corporation shall have authority to issue is two billion three hundred million (2,300,000,000) shares, consisting of one billion five hundred million (1,500,000,000) shares of Class A Common Stock, par value \$0.01 per share ("Class A Common Stock"), seven hundred fifty million (750,000,000) shares of Class B Common Stock, par value \$0.01 per share ("Class B Common Stock"), twenty-five million (25,000,000) shares of Series Common Stock, par value \$0.01 per share ("Series Common Stock") and twenty-five million (25,000,000) shares of Preferred Stock, par value \$0.01 per share ("Preferred Stock"). The Class A Common Stock and Class B Common Stock are hereinafter referred to as the "Common Stock." Subject to the provisions of this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock), the number of authorized shares of any of the Class A Common Stock, the Class B Common Stock, the Series Common Stock or the Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Class A Common Stock, the Class B Common Stock, the Series Common Stock or the Preferred Stock voting separately as a class shall be required therefor.

(b) The holders of shares of capital stock of the Corporation, as such, shall have no pre-emptive right to purchase or have offered to them for purchase any shares of Preferred Stock, Common Stock, Series Common Stock or other equity securities issued or to be issued by the Corporation. The powers, preferences and rights and the limitations, qualifications and restrictions in respect of the shares of each class are set forth in the following sections.

Section 2. Preferred Stock

Subject to the limitations set forth in this Restated Certificate of Incorporation (including Section 4 of this Article IV), the Board of Directors of the Corporation (the "Board of Directors") is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

Section 3. Series Common Stock

Subject to the limitations set forth in this Restated Certificate of Incorporation (including Section 4 of this Article IV), the Board of Directors is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Series Common Stock, for series of Series Common Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Series Common Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

Section 4. Rights of Holders of Common Stock and Preferred Stock

(a) Voting Rights

(i) Class A Common Stock

(1) Subject to applicable law and the voting rights of any outstanding series of Preferred Stock and Series Common Stock, each of the shares of Class A Common Stock shall entitle the record holders thereof, voting together with the holders of Class B Common Stock as a single class, to one (1) vote per share only in the following circumstances and not otherwise:

(A) on a proposal to dissolve the Corporation or to adopt a plan of liquidation of the Corporation, and with respect to any matter to be voted on by the stockholders of the Corporation following adoption of a proposal to dissolve the Corporation or to adopt a plan of liquidation of the Corporation;

(B) on a proposal to sell, lease or exchange all or substantially all of the property and assets of the Corporation;

(C) on a proposal to adopt an agreement of merger or consolidation in which the Corporation is a constituent corporation, as a result of which the stockholders of the Corporation prior to the merger or consolidation would own less than sixty percent (60%) of the voting power or capital stock of the surviving corporation or consolidated entity (or the direct or indirect parent of the surviving corporation or consolidated entity) following the merger or consolidation; and

(D) with respect to any matter to be voted on by the stockholders of the Corporation during a period during which a dividend (or part of a dividend) in respect of the Class A Common Stock has been declared and remains unpaid following the payment date with respect to such dividend (or part thereof);

provided, however, that, with respect to any matter set forth in subclause (A), (B), (C), or (D) above, as to which the holders of the Class A Common Stock are entitled by law to vote as a separate class, such holders shall not be entitled to vote together thereon with the holders of the Class B Common Stock as a single class.

(2) Notwithstanding the foregoing provisions of this clause (i), except as otherwise required by law, the holders of the Class A Common Stock, as such, shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock or Series Common Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock) or pursuant to the DGCL.

(3) As used in this clause (i), the phrase “on a proposal” shall refer to a proposal that is required by law, this Restated Certificate of Incorporation, the by-laws of the Corporation or pursuant to a determination by the Board of Directors, to be submitted to a vote of the stockholders of the Corporation. This clause (i) shall not limit or restrict in any way the right or ability of the Board of Directors to approve or adopt any resolutions or to take any action without a vote of the stockholders pursuant to applicable law, this Restated Certificate of Incorporation, or the by-laws of the Corporation.

(4) Except as required by law, or expressly provided for in the foregoing provisions of this clause (i), the holders of the Class A Common Stock shall have no voting rights whatsoever.

(ii) Class B Common Stock

Subject to applicable law, the rights of any outstanding series of Preferred Stock and Series Common Stock to vote as a separate class or series, and the rights of the Class A Common Stock set forth in clause (i) above, each of the shares of Class B Common Stock shall entitle the record holders thereof to one (1) vote per share on all matters on which stockholders shall have the right to vote; provided, however, that, except as otherwise required by law, the holders of the Class B Common Stock, as such, shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock or Series Common Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock) or pursuant to the DGCL.

(iii) Preferred Stock and Series Common Stock

Except as otherwise required by law, holders of a series of Preferred Stock or Series Common Stock, as such, shall be entitled only to such voting rights, if any, as shall expressly be granted to such holders by this Restated Certificate of Incorporation (including any Certificate of Designation relating to such series).

(iv) Issuance of Certain Stock

The Corporation shall not, without the affirmative vote of the holders of a majority of the combined voting power of the then outstanding shares of Voting Stock (as defined in Article V) issue any shares of Series Common Stock or Preferred Stock which entitle the holders thereof to more than one vote per share.

(b) Dividends

(i) Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or Series Common Stock, holders of Class A Common Stock and holders of Class B Common Stock shall be entitled to such dividends, if any, as may be declared thereon by the Board of Directors from time to time in its sole discretion out of assets or funds of the Corporation legally available therefor; provided, however, that the holders of Class A Common Stock and Class B Common Stock shall have such dividend rights set forth in clauses (ii) and (iii) below; and provided further, however, that if dividends are declared on the Class A Common Stock or the Class B Common Stock that are payable in shares of Common Stock, or securities convertible into, or exercisable or exchangeable for Common Stock, the dividends payable to the holders of Class A Common Stock shall be paid only in shares of Class A Common Stock (or securities convertible into, or exercisable or exchangeable for Class A Common Stock), the dividends payable to the holders of Class B Common Stock shall be paid only in shares of Class B Common Stock (or securities convertible into, or exercisable or exchangeable for Class B Common Stock), and such dividends shall be paid in the same number of shares (or fraction thereof) on a per share basis of the Class A Common Stock and Class B Common Stock, respectively (or securities convertible into, or exercisable or exchangeable for the same number of shares (or fraction thereof) on a per share basis of the Class A Common Stock and Class B Common Stock, respectively); and provided still further, however, that, in the case of any dividend or other distribution (including, without limitation, any distribution pursuant to a stock dividend or a “spinoff,” “split-off” or “split-up” reorganization or similar transaction) payable in shares or other equity interests of any corporation or other entity which immediately prior to the time of the dividend or distribution is a subsidiary of the Corporation and which possesses authority to issue more than one class of common equity securities (or securities convertible into, or exercisable or exchangeable for, such shares or equity interests) with voting characteristics identical or comparable to those of the Class A Common Stock and the Class B Common Stock, respectively (such stock or equity interest being “Comparable Securities”), the dividends or distributions payable to the

holders of Class A Common Stock shall be paid only in shares or equity interests of such subsidiary with voting characteristics identical or comparable to those of the Class A Common Stock (or securities convertible into, or exercisable or exchangeable for such shares or equity interests), and the dividends or distributions payable to the holders of Class B Common Stock shall be paid only in shares or equity interests of such subsidiary with voting characteristics identical or comparable to those of the Class B Common Stock (or securities convertible into, or exercisable or exchangeable such shares or equity interests), and such dividends shall be paid in the same number of shares (or fraction thereof) on a per share basis of the Class A Common Stock and Class B Common Stock, respectively (or securities convertible into, or exercisable or exchangeable for the same number of shares (or fraction thereof) on a per share basis of the Class A Common Stock and Class B Common Stock, respectively). In no event shall the shares of either Class A Common Stock or Class B Common Stock be split, divided, or combined unless the outstanding shares of the other class shall be proportionately split, divided or combined.

(ii) Any dividends declared by the Board of Directors on a share of Common Stock shall be declared in equal amounts with respect to each share of Class A Common Stock and Class B Common Stock (as determined in good faith by the Board of Directors in its sole discretion), provided however that in the case of dividends (i) payable in shares of Common Stock of the Corporation, or securities convertible into, or exercisable or exchangeable for, Common Stock of the Corporation, or (ii) payable in Comparable Securities, such dividends shall be paid as provided for in Section 4(b)(i) hereof.

(c) Merger or Consolidation

In the event of any merger or consolidation of the Corporation with or into another entity (whether or not the Corporation is the surviving entity), the holders of the Class A Common Stock and the holders of the Class B Common Stock shall be entitled to receive substantially identical per share consideration as the per share consideration, if any, received by the holders of such other class; provided that, if such consideration shall consist in any part of voting securities (or of options, rights or warrants to purchase, or of securities convertible into or exercisable or exchangeable for, voting securities), then the Corporation may provide in the applicable merger or other agreement for the holders of shares of Class A Common Stock to receive, on a per share basis, either non-voting securities or securities with a vote comparable to the voting rights associated with the Class A Common Stock hereunder (or options, rights or warrants to purchase, or securities convertible into or exercisable or exchangeable for, nonvoting securities or securities with a vote comparable to the voting rights associated with the Class A Common Stock). Any determination as to the matters described above shall be made in good faith by the Board of Directors in its sole discretion.

(d) Rights Upon Liquidation, Dissolution or Winding Up

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after distribution in full of the preferential and/or other amounts to be distributed to the holders of shares of any outstanding series of Preferred Stock or Series Common Stock, the holders of shares of Class A Common Stock, Class B Common Stock and, to the extent fixed by the Board of Directors with respect thereto, the Series Common Stock and Preferred Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares held by them (or, with respect to any series of the Series Common Stock or Preferred Stock, as so fixed by the Board of Directors).

(e) Transfer Restrictions Relating to Certain Offers

An Owner (as defined in Section 5(a) of this Article IV) of shares of Class A Common Stock or Class B Common Stock may not sell, exchange or otherwise transfer Ownership (as defined in Section 5(a) of this Article IV) of such shares of Class A Common Stock or Class B Common Stock to any person who has made an Offer (as defined herein) pursuant to such Offer unless such Offer relates to both the Class A Common Stock and the Class B Common Stock, or another Offer or Offers are contemporaneously made with such Offer by such person such that, between all the Offers, they relate to both the Class A Common Stock and the Class B Common Stock, and the terms and conditions of such Offer or Offers as they relate to each of the Class A Common Stock and the Class B Common Stock are Comparable (as defined herein). The Corporation shall, to the extent required by law, note on the certificates of its Common Stock that shares represented by such certificates are subject to the restrictions set forth in this Section 4(e).

For purposes of this Section 4(e), the following terms shall have the respective meanings specified herein:

(i) "Offer" shall mean an offer (or series of related offers) to acquire Ownership (as defined in Section 5(a) of this Article IV) of 15% or more of the outstanding shares of Class A Common Stock or Class B Common Stock (whether or not the offer is directed to one class or to both classes, and whether or not such offer is subject to an overall limit on the number of shares to be acquired), but shall not include (A) any purchase or offer to purchase such shares on or through a national or foreign securities exchange or regulated securities association if such purchase or offer to purchase (x) would not constitute a "tender offer" under Section 14(d) of the Securities Exchange Act of 1934, as amended, and (y) does not result from the solicitation or arrangement for the solicitation of orders to sell Class A Common Stock or Class B Common Stock in anticipation of or in connection with the transaction, (B) any merger or consolidation in which the Corporation is a constituent corporation, any sale of all or substantially all of the assets of the Corporation, or any similar transaction pursuant, in any such case, to an agreement approved by the Board of Directors, or any tender or exchange offer or similar offer conducted pursuant to any such agreement or (C) any transaction privately negotiated with any stockholder or group of stockholders that would not constitute a "tender offer" under Section 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). No transaction directly with the Corporation or any of its subsidiaries shall be deemed to constitute an Offer.

(ii) “Comparable” shall mean that (x) the percentage of outstanding shares of Class A Common Stock and Class B Common Stock sought to be acquired pursuant to the Offer or Offers shall be substantially identical, (y) the principal terms of the Offer or Offers relating, among other things, to conditions for acceptance, relevant time periods, termination, revocation rights and terms of payment shall be substantially identical, and (z) the amount of cash and the value of each other type of consideration offered for a share of each such class shall be substantially identical. Any determination as to the matters described in subclauses (x), (y) and (z) above shall be made in good faith by the Board of Directors in its sole discretion.

(f) Subsidiary-Owned Shares

(i) Notwithstanding any other provisions of this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock), except as otherwise required by law:

(A) no dividend shall be payable on any share of Class A Common Stock or Class B Common Stock of the Corporation that is owned of record by a Subsidiary of the Corporation; except in the case of dividends payable in (i) shares of Common Stock of the Corporation, or securities convertible into, or exercisable or exchangeable for, Common Stock of the Corporation or (ii) Comparable Securities; for the purposes of this Subsection (f), any such share owned of record by a Subsidiary of the Corporation is referred to as a “Subsidiary—Owned Share” and “Subsidiary” shall have the meaning ascribed to such term in Section 5(a)(xviii) of this Article IV;

(B) no Subsidiary-Owned Share shall be entitled to vote or be counted for quorum purposes;

(C) no Subsidiary-Owned Share shall be treated as or deemed outstanding (x) for purposes of determining voting requirements, including under Articles IV, V, VII and VIII hereof, (y) for purposes of any applicable securities or regulatory laws, rules or regulations or (z) for any other purpose (including, without limitation, the provisions of Section 4(e) of this Article IV); provided, however, that each Subsidiary-Owned Share shall be entitled to (i) participate in any distribution of assets to holders of Class A Common Stock or Class B Common Stock, as the case may be, upon the dissolution, liquidation or winding up of the Corporation, and (ii) the receipt of such consideration as may be payable to holders of Class A Common Stock or Class B Common Stock, as the case may be, in the event of any merger, consolidation, recapitalization or reclassification of the Corporation; and provided further that in the event that the shares of Class A Common Stock and Class B Common Stock shall be split, divided, or combined, the Subsidiary-Owned Shares shall be split, divided or combined in a like manner; and

(D) no holder of a Subsidiary-Owned Share may sell, exchange or otherwise transfer such Share pursuant to an Offer (as defined in Section 4(e) of Article IV hereof), regardless of the terms thereof.

(ii) Should a Subsidiary-Owned Share cease to be owned by a Subsidiary of the Corporation, the foregoing restrictions with respect to such Share shall immediately terminate and be of no further force or effect, except as otherwise required by law.

(iii) A Subsidiary-Owned Share shall not include any share of capital stock of the Corporation that (x) is held on behalf of an employee stock ownership or other plan for the benefit of employees or (y) is held in a fiduciary capacity on behalf of a person or entity which is not a Subsidiary of the Corporation.

Section 5. Regulatory Restrictions on Transfer Redemption in Certain Circumstances

(a) Definitions. For purposes of this Section 5, the following terms shall have the respective meanings specified herein:

(i) "Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, or any successor rule, and shall also include (to the extent not provided for in Rule 13d-3) (A) the possession of any direct or indirect interest in any security, including, without limitation, rights to a security deriving from the ownership of, or control over, depository or similar receipts (such as CHESSE Depository Interests relating to the CHESSE system in Australia) relating to such security, (B) the possession of any direct or indirect interest in any Encumbrance with respect to any security, and (C) the possession or exercise, directly or indirectly, of any rights of a security holder with respect to any security.

(ii) "Closing Price" shall mean, with respect to a share of the Corporation's capital stock of any class or series on any day, the reported last sales price regular way or, in case no such sale takes place, the average of the reported closing bid and asked prices regular way on the NASDAQ Global Select Market, or, if such stock is not listed on such exchange, on the principal United States registered securities exchange on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing sales price or bid quotation for such stock on The Nasdaq Stock Market or any system then in use, or if no such prices or quotations are available, the fair market value on the day in question as determined by the Board of Directors in good faith.

(iii) "Contract" shall mean any note, bond, mortgage, indenture, lease, order, contract, commitment, agreement, arrangement or instrument, written or otherwise.

(iv) "Disqualified Person" shall mean any stockholder, other Owner or Proposed Transferee as to which clause (i) or (ii) of paragraph (c) of this Section 5 is applicable.

(v) "Encumbrance" shall mean any security interest, pledge, mortgage, lien, charge, option, warrant, right of first refusal, license, easement, adverse claim of Ownership or use, or other encumbrance of any kind.

(vi) "Fair Market Value" shall mean, with respect to a share of the Corporation's capital stock of any class or series, the average (unweighted) Closing Price for such a share for each of the 45 most recent days on which shares of stock of such class or series shall have been traded (or if the stock has not been trading for 45 trading days, the average of the number of such days since the stock began trading, including on the "when issued" trading market) preceding the day on which notice of redemption shall be given pursuant to paragraph (d) of this Section 5; provided, however, that if shares of stock of such class or series are not traded on any securities exchange or in the over-the-counter market, "Fair Market Value" shall be determined by the Board of Directors in good faith; and provided further, however, that "Fair Market Value" as to any Disqualified Person that has purchased its stock within 120 days of a Redemption Date need not (unless otherwise determined by the Board of Directors) exceed the purchase price paid by such Disqualified Person.

(vii) "Governmental Body" shall mean any government or governmental, judicial, legislative, executive, administrative or regulatory authority of the United States, or of any State, local or foreign government or any political subdivision, agency, commission, office, authority, or bureaucracy of any of the foregoing, including any court or arbitrator (public or private), whether now or hereinafter in existence.

(viii) "Law" shall mean any law (including common law), statute, code, ordinance, rule, regulation, standard, requirement, guideline, policy or criterion, including any interpretation thereof, of or applicable to any Governmental Body, whether now or hereinafter in existence.

(ix) "Legal Requirement" shall mean any Order, Law or Permit, or any binding Contract with any Governmental Body.

(x) "Order" shall mean any judgment, ruling, order, writ, injunction, decree, decision, determination or award of any Governmental Body.

(xi) "Ownership" shall mean, with respect to any shares of capital stock of the Corporation, direct or indirect record ownership or Beneficial Ownership. The term "Owner" shall mean any Person that has or exercises Ownership with respect to any shares of capital stock of the Corporation.

(xii) "Permit" shall mean any permit, authorization, consent, approval, registration, franchise, Order, waiver, variance or license issued or granted by any Governmental Body.

(xiii) "Person" shall mean any individual, estate, corporation, limited liability company, partnership, firm, joint venture, association, joint stock company, trust, unincorporated organization, Governmental Body or other entity.

(xiv) "Proceeding" shall mean any Order, action, claim, citation, complaint, inspection, litigation, notice, arbitration or other proceeding of or before any Governmental Body.

(xv) "Proposed Transferee" shall mean any person presenting any shares of capital stock of the Corporation for Transfer into such Person's name or that otherwise is or purports to be a Transferee with respect to any shares of capital stock of the Corporation.

(xvi) "Redemption Date" shall mean the date fixed by the Board of Directors for the redemption of any shares of stock of the Corporation pursuant to this Section 5.

(xvii) "Redemption Securities" shall mean any debt or equity securities of the Corporation, any Subsidiary or any other corporation or other entity, or any combination thereof, having such terms and conditions as shall be approved by the Board of Directors and which, together with any cash to be paid as part of the redemption price, in the opinion of any nationally recognized investment banking firm selected by the Board of Directors (which may be a firm which provides other investment banking, brokerage or other services to the Corporation), has a value, at the time notice of redemption is given pursuant to paragraph (d) of this Section 5, at least equal to the Fair Market Value of the shares to be redeemed pursuant to this Section 5 (assuming, in the case of Redemption Securities to be publicly traded, such Redemption Securities were fully distributed and subject only to normal trading activity).

(xviii) "Subsidiary" shall mean any corporation, limited liability company, partnership or other entity in which a majority in voting power of the shares or equity interests entitled to vote generally in the election of directors (or equivalent management board) is owned, directly or indirectly, by the Corporation.

(xix) "Transfer" shall mean, with respect to any shares of capital stock of the Corporation, any direct or indirect issuance, sale, gift, assignment, devise or other transfer or disposition of Ownership of such shares, whether voluntary or involuntary, and whether by merger or other operation of law, as well as any other event or transaction (including, without limitation, the making of, or entering into, any Contract, including, without limitation, any proxy or nominee agreement) that results or would result in the Ownership of such shares by a Person that did not possess such rights

prior to such event or transaction. Without limitation as to the foregoing, the term "Transfer" shall include any of the following that results or would result in a change in Ownership: (A) a change in the capital structure of the Corporation, (B) a change in the relationship between two or more Persons, (C) the making of, or entering into, any Contract, including, without limitation, any proxy or nominee agreement, (D) any exercise or disposition of any option or warrant, or any event that causes any option or warrant not theretofore exercisable to become exercisable, (E) any disposition of any securities or rights convertible into or exercisable or exchangeable for such shares or any exercise of any such conversion, exercise or exchange right, and (F) Transfers of interests in other entities. The term "Transferee" shall mean any Person that becomes an Owner of any shares of capital stock of the Corporation as a result of a Transfer.

(xx) "Violation" shall mean (A) any violation of, or any inconsistency with, any Legal Requirement applicable to the Corporation or any Subsidiary, (B) the loss of, or failure to secure or secure the reinstatement of, any Permit held or required by the Corporation or any Subsidiary, (C) the creation, attachment or perfection of any Encumbrance with respect to any property or assets of the Corporation or any Subsidiary, (D) the initiation of a Proceeding against the Corporation or any Subsidiary by any Governmental Body, (E) the effectiveness of any Legal Requirement that, in the judgment of the Board of Directors, is adverse to the Corporation or any Subsidiary or any portion of the business of the Corporation or any Subsidiary; or (F) any circumstance or event giving rise to the right of any Governmental Body to require the sale, transfer, assignment or other disposition of any property, assets or rights owned or held directly or indirectly by the Corporation or any Subsidiary.

(b) Requests for Information. If the Corporation has reason to believe that the Ownership, or proposed Ownership, of shares of capital stock of the Corporation by any stockholder, other Owner or Proposed Transferee could, either by itself or when taken together with the Ownership of any shares of capital stock of the Corporation by any other Person, result in any Violation, such stockholder, other Owner or Proposed Transferee, upon request of the Corporation, shall promptly furnish to the Corporation such information (including, without limitation, information with respect to citizenship, other Ownership interests and affiliations) as the Corporation may reasonably request to determine whether the Ownership of, or the exercise of any rights with respect to, shares of capital stock of the Corporation by such stockholder, other Owner or Proposed Transferee could result in any Violation.

(c) Rights of the Corporation. If (i) any stockholder, other Owner or Proposed Transferee from whom information is requested should fail to respond to such request pursuant to paragraph (b) of this Section 5 within the period of time (including any applicable extension thereof) determined by the Board of Directors, or (ii) whether or not any stockholder, other Owner or Proposed Transferee timely responds to any request for information pursuant to paragraph (b) of this Section 5, the Board of Directors shall conclude that effecting, permitting or honoring any Transfer or the Ownership of any shares of capital stock of the Corporation, by any such stockholder, other Owner or Proposed Transferee, could result in any Violation, or that it is in the interest of the Corporation to prevent or cure any such Violation or any situation which

could result in any such Violation, or mitigate the effects of any such Violation or any situation that could result in any such Violation, then the Corporation may (A) refuse to permit any Transfer of record of shares of capital stock of the Corporation that involves a Transfer of such shares to, or Ownership of such shares by, any Disqualified Person, (B) refuse to honor any such Transfer of record effected or purported to have been effected, and in such case any such Transfer of record shall be deemed to have been void ab initio, (C) suspend those rights of stock ownership the exercise of which could result in any Violation, (D) redeem such shares in accordance with paragraph (d) of this Section 5, and/or (E) take all such other action as the Corporation may deem necessary or advisable in furtherance of the provisions of this Section 5, including, without limitation, exercising any and all appropriate remedies, at law or in equity, in any court of competent jurisdiction, against any Disqualified Person. Any such refusal of Transfer or suspension of rights pursuant to subclauses (A), (B) and (C) respectively, of the immediately preceding sentence shall remain in effect until the requested information has been received and the Board of Directors has determined that such Transfer, or the exercise of any such suspended rights, as the case may be, would not constitute a Violation.

(d) Redemption by the Corporation. Notwithstanding any other provision of this Restated Certificate of Incorporation to the contrary, but subject to the provisions of any resolution or resolutions of the Board of Directors adopted pursuant to this Article IV creating any series of Series Common Stock or any series of Preferred Stock, outstanding shares of Common Stock, Series Common Stock or Preferred Stock shall always be subject to redemption by the Corporation, by action of the Board of Directors, if in the judgment of the Board of Directors such action should be taken with respect to any shares of capital stock of the Corporation of which any Disqualified Person is the stockholder, other Owner or Proposed Transferee. The terms and conditions of such redemption shall be as follows:

(1) the redemption price of the shares to be redeemed pursuant to this paragraph (d) shall be equal to the Fair Market Value of such shares;

(2) the redemption price of such shares may be paid in cash, Redemption Securities or any combination thereof;

(3) if less than all such shares are to be redeemed, the shares to be redeemed shall be selected in such manner as shall be determined by the Board of Directors, which may include selection first of the most recently purchased shares thereof, selection by lot or selection in any other manner determined by the Board of Directors;

(4) at least 30 days' written notice of the Redemption Date shall be given to the record holders of the shares selected to be redeemed (unless waived in writing by any such holder); provided that the Redemption Date may be the date on which written notice shall be given to record holders if the cash or Redemption Securities necessary to effect the redemption shall have been deposited in trust for the benefit of such record holders and subject to immediate withdrawal by them upon surrender of the stock certificates for their shares to be redeemed;

(5) from and after the Redemption Date, any and all rights of whatever nature in respect of the shares selected for redemption (including without limitation any rights to vote or participate in dividends declared on stock of the same class or series as such shares), shall cease and terminate and the record holders of such shares shall thenceforth be entitled only to receive the cash or Redemption Securities payable upon redemption; and

(6) such other terms and conditions as the Board of Directors shall determine.

(e) Legends. The Corporation shall, to the extent required by law, note on the certificates of its capital stock that the shares represented by such certificates are subject to the restrictions set forth in this Section 5.

ARTICLE V

Section 1. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock) relating to the rights of the holders of any series of Preferred Stock or Series Common Stock to elect additional directors, the total number of directors constituting the entire Board of Directors shall be not less than three (3), with the then-authorized number of directors being fixed from time to time exclusively by the Board of Directors.

Except with respect to directors who may be elected by the holders of any series of Preferred Stock (the "Preferred Stock Directors") or by holders of any series of Series Common Stock (the "Series Common Stock Directors"), the directors of the Corporation shall be elected annually at each annual meeting of stockholders of the Corporation. The directors will hold office for a term of one year or until their respective successors are elected and qualified, subject to such director's earlier death, resignation, disqualification or removal.

Subject to the rights of the holders of any one or more series of Preferred Stock or Series Common Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director so chosen shall hold office until the next election of directors and until his or her successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock or Series Common Stock, any director, or the entire Board of Directors, may be removed from office at any time by the affirmative vote of at least a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors ("Voting Stock"), voting together as a single class. At any time that there shall be three or fewer stockholders of record, directors may be removed with or without cause.

During any period when the holders of any series of Preferred Stock or Series Common Stock have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock or Series Common Stock, as applicable, shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until the next annual meeting of stockholders and until such director's successor shall have been duly elected and qualified, unless such director's right to hold such office terminates earlier pursuant to said provisions, subject in all such cases to his or her earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock or Series Common Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

Notwithstanding the foregoing, whenever the holders of outstanding shares of one or more series of Preferred Stock or Series Common Stock issued by the Corporation shall have the right, voting separately as a series or as a separate class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, filling of vacancies, and other features of such directorship shall be governed by the terms of this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series of Common Stock) applicable thereto.

Section 2. The election of directors need not be by written ballot.

Section 3. Advance notice of nominations for the election of directors shall be given in the manner and to the extent provided in the by-laws of the Corporation.

ARTICLE VI

Subject to the rights of the holders of any series of Preferred Stock or Series Common Stock, at any time that there shall be more than three stockholders of record, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock or Series Common Stock, special meetings of stockholders of the Corporation (a) may be called by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors or as otherwise provided

in the by-laws of the Corporation and (b) shall be called by the Secretary of the Corporation upon the written request of holders of record of not less than 20% of the outstanding shares of Class B Common Stock, proposing a proper matter for stockholder action under the DGCL at such special meeting, provided that (i) no such special meeting of stockholders shall be called pursuant to this clause (b) if the written request by such holders is received less than 135 days prior to the first anniversary of the date of the preceding annual meeting of stockholders of the Corporation and (ii) any special meeting called pursuant to this clause (b) shall be held not later than 100 days following receipt of the written request by such holders, on such date and at such time and place as determined by the Board of Directors.

ARTICLE VII

In furtherance and not in limitation of the powers conferred upon it by law, the Board of Directors is expressly authorized to adopt, repeal, alter or amend the by-laws of the Corporation by the vote of a majority of the entire Board of Directors or such greater vote as shall be specified in the by-laws of the Corporation. In addition to any requirements of law and any other provision of this Restated Certificate of Incorporation or any resolution or resolutions of the Board of Directors adopted pursuant to Article IV of this Restated Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Restated Certificate of Incorporation or any such resolution or resolutions), the affirmative vote of holders of sixty-five percent (65%) or more of the combined voting power of the then outstanding shares of Voting Stock, voting together as a single class, shall be required for stockholders to adopt, amend, alter or repeal any provision of the by-laws of the Corporation.

ARTICLE VIII

In addition to any requirements of law and any other provisions of this Restated Certificate of Incorporation or any resolution or resolutions of the Board of Directors adopted pursuant to Article IV of this Restated Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Restated Certificate of Incorporation or any such resolution or resolutions), the affirmative vote of the holders of sixty-five percent (65%) or more of the combined voting power of the then outstanding shares of Voting Stock, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision inconsistent with, Section 5 of Article IV, Article V, Article VII, this Article VIII, or Article IX of this Restated Certificate of Incorporation. Subject to the foregoing provisions of this Article VIII, the Corporation reserves the right to amend, alter or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are subject to this reservation.

ARTICLE IX

No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of

law, (iii) pursuant to Section 174 of the DGCL or (iv) for any transaction from which the director derived an improper personal benefit; provided that if the DGCL shall be amended to provide for exculpation for any director in any circumstances where exculpation is prohibited pursuant to any of clauses (i) through (iv), then such directors shall be entitled to exculpation to the maximum extent permitted by such amendment. Any repeal or modification of this Article IX by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE X

The Corporation hereby elects not to be governed by Section 203 of the DGCL.

ARTICLE XI

Section 1. Certain Acknowledgements; Definitions

It is recognized that (a) certain Covered Stockholders, directors and officers of the Corporation and its subsidiaries (the "Overlap Persons") are or may become stockholders, directors, officers, employees and agents of Twenty-First Century Fox, Inc. (f/k/a News Corporation) ("Fox") and its affiliates (excluding any entity that is an affiliate by reason of being an affiliate of a Covered Stockholder without regard to Fox's control thereof) and their respective successors (each of the foregoing is an "Other Entity"), (b) the Corporation and its subsidiaries, directly or indirectly, may engage in the same, similar or related lines of business as those engaged in by any Other Entity and other business activities that overlap with or compete with those in which such Other Entity may engage, (c) the Corporation or its subsidiaries may have an interest in the same areas of business opportunity as an Other Entity, (d) the Corporation will derive substantial benefits from the service as directors or officers of the Corporation and its subsidiaries of Overlap Persons, and (e) it is in the best interests of the Corporation that the rights of the Corporation, and the duties of any Overlap Persons, be determined and delineated as provided in this Article XI in respect of any Potential Business Opportunities (as defined below) and in respect of the agreements and transactions referred to herein. The provisions of this Article XI will, to the fullest extent permitted by law, regulate and define the conduct of the business and affairs of the Corporation and its Covered Stockholders, officers and directors who are Overlap Persons in connection with any Potential Business Opportunities and in connection with any agreements and transactions referred to herein. Nothing in this Article XI is intended to, and will not be construed to, expand any person's fiduciary duties under applicable law. Any person purchasing or otherwise acquiring, including without limitation pursuant to the distribution of stock of the Corporation from Fox, any shares of capital stock of the Corporation, or any interest therein, will be deemed to have notice of and to have consented to the provisions of this Article XI. References in this Article XI to "directors," "officers," "employees" and "agents" of any person will be deemed to include those persons who hold similar positions or exercise similar powers and authority with respect to any other entity that is a limited liability company, partnership, joint venture or other non-corporate entity. The term "person" as used in this Article XI shall have the meaning set forth in Section 5(a). For the purpose of this Article

XI, "Affiliate" shall mean, with respect to any specified person, any other person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified person. For the purpose of this Article XI, "Covered Stockholders" shall mean stockholders of the Corporation who are: (x) K. Rupert Murdoch, his wife, child or more remote issue, or brother or sister or child or more remote issue of a brother or sister (the "Murdoch Family") or (y) any person directly or indirectly controlled by one or more members of the Murdoch Family (a "Murdoch Controlled Person"); provided that a trust and the trustees of such trust shall be deemed to be controlled by any one or more members of the Murdoch Family if a majority of the trustees of such trust are members of the Murdoch Family or may be removed or replaced by any one or more of the members of the Murdoch Family and/or Murdoch Controlled Persons; provided further, however, that no person who previously constituted a "Covered Stockholder" of the Corporation shall continue to constitute a "Covered Stockholder" of the Corporation from and after the first date upon which all such "Covered Stockholders" beneficially own, in the aggregate, less than ten (10) percent of the voting common stock of either Fox or the Corporation. The term "beneficial ownership" as used in this Article XI shall have the meaning set forth in Section 5(a).

Section 2. Duties of Directors and Officers Regarding Potential Business Opportunities; Renunciation of Interest in Potential Business Opportunities

If a Covered Stockholder, director or officer of the Corporation who is an Overlap Person is presented or offered, or otherwise acquires knowledge of, a potential transaction or matter that may constitute or present a business opportunity for the Corporation or any of its subsidiaries, in which the Corporation or any of its subsidiaries could, but for the provisions of this Article XI, have an interest or expectancy (any such transaction or matter, and any such actual or potential business opportunity, a "Potential Business Opportunity"), (a) such Overlap Person will, to the fullest extent permitted by law, have no duty or obligation to refrain from referring such Potential Business Opportunity to any Other Entity and, if such Overlap Person refers such Potential Business Opportunity to an Other Entity, such Overlap Person shall have no duty or obligation to refer such Potential Business Opportunity to the Corporation or to any of its subsidiaries or to give any notice to the Corporation or to any of its subsidiaries regarding such Potential Business Opportunity (or any matter related thereto), (b) if such Overlap Person refers a Potential Business Opportunity to an Other Entity, such Overlap Person, to the fullest extent permitted by law, will not be liable to the Corporation as a director, officer, stockholder or otherwise, for any failure to refer such Potential Business Opportunity to the Corporation, or for referring such Potential Business Opportunity to any Other Entity, or for any failure to give any notice to the Corporation regarding such Potential Business Opportunity or any matter relating thereto, (c) any Other Entity may participate, engage or invest in any such Potential Business Opportunity notwithstanding that such Potential Business Opportunity may have been referred to such Other Entity by an Overlap Person, and (d) if a Covered Stockholder, director or officer who is an Overlap Person refers a Potential Business Opportunity to an Other Entity, then, as between the Corporation and/or its subsidiaries, on the one hand, and such Other Entity, on the other hand, the Corporation and its subsidiaries shall be deemed to have renounced, to the fullest extent permitted by law, any interest, expectancy or right in or to such Potential Business Opportunity or to receive any income or proceeds derived therefrom solely as a result of such

Overlap Person having been presented or offered, or otherwise acquiring knowledge of, such Potential Business Opportunity, unless in each case referred to in clause (a), (b), (c) or (d), such Potential Business Opportunity satisfies all of the following conditions (any Potential Business Opportunity that satisfies all of such conditions, a “Restricted Potential Business Opportunity”): (A) the Overlap Person believed that the Corporation possessed, or would reasonably be expected to be able to possess, the resources necessary to exploit such Potential Business Opportunity; and (B) substantially all of such Potential Business Opportunity, at the time it is presented to the Overlap Person, is, and is expected to remain a Covered Business (as defined below); *provided*, that the Corporation or any of its subsidiaries is directly engaged in that business at the time the Potential Business Opportunity is presented or offered to the Overlap Person. For purposes hereof, a “Covered Business” shall mean any of the following, either alone or in combination, (i) a business that primarily derives its revenue from the newspaper business in Australia, the United States or the United Kingdom, (ii) a business that primarily derives its revenue from providing free-standing inserts and in-store advertising and merchandising in the United States, (iii) a digital advertising business primarily deriving its revenue from real estate services in Australia, (iv) a business that primarily derives its revenue from book publishing in the United States or the United Kingdom or (v) a digital education business focused on the K-12 learning market in the United States. The Corporation hereby renounces, on behalf of itself and its subsidiaries, to the fullest extent permitted by law, any interest or expectancy in any Potential Business Opportunity that is not a Restricted Potential Business Opportunity. In the event the Corporation’s board of directors declines to pursue a Restricted Potential Business Opportunity, Overlap Persons shall be free to refer such Restricted Potential Business Opportunity to an Other Entity or, to the extent consistent with their duties owed to the Corporation, engage in such Restricted Potential Business Opportunity on their own. For the purpose of this Article XI, “primarily derives its revenue” means deriving a greater percentage of its revenue from that certain business and specific geographical area, as applicable, than from any other business and specific geographic area, and in any event at least 25% of its revenue.

Section 3. Certain Agreements and Transactions Permitted

No contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof) entered into between the Corporation and/or any of its subsidiaries, on the one hand, and Fox and/or any of its subsidiaries, on the other hand, before the Corporation ceased to be an indirect, wholly-owned subsidiary of Fox shall be void or voidable or be considered unfair to the Corporation or any of its subsidiaries solely because an Other Entity is a party thereto, or because any directors, officers or employees of an Other Entity were present at or participated in any meeting of the board of directors, or a committee thereof, of the Corporation, or the board of directors, or committee thereof, of any subsidiary of the Corporation, that authorized the contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof), or because his, her or their votes were counted for such purpose. The Corporation may from time to time enter into and perform, and cause or permit any of its subsidiaries to enter into and perform, one or more contracts, agreements, arrangements or transactions (or amendments, modifications or supplements thereto) with an Other Entity. To the fullest extent permitted by law and the provisions of Article XI, Section 2 of this Restated Certificate of Incorporation, no such contract, agreement, arrangement or

transaction (nor any such amendments, modifications or supplements), nor the performance thereof by the Corporation, or any subsidiary of the Corporation, or by an Other Entity, shall be considered contrary to any fiduciary duty owed to the Corporation (or to any subsidiary of the Corporation, or to any stockholder of the Corporation or any of its subsidiaries) by any director or officer of the Corporation (or by any director or officer of any subsidiary of the Corporation) who is an Overlap Person by reason of the fact that such person is an Overlap Person. To the fullest extent permitted by law and the provisions of Article XI, Section 2 of this Restated Certificate of Incorporation, no director or officer of the Corporation or any subsidiary of the Corporation who is an Overlap Person thereof shall have or be under any fiduciary duty to the Corporation (or to any subsidiary of the Corporation, or to any stockholder of the Corporation or any of its subsidiaries) by reason of the fact that such person is an Overlap Person to refrain from acting on behalf of the Corporation or Fox, or any of their respective subsidiaries, in respect of any such contract, agreement, arrangement or transaction or performing any such contract, agreement, arrangement or transaction in accordance with its terms and each such director or officer of the Corporation or any subsidiary of the Corporation who is an Overlap Person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and its subsidiaries, and shall be deemed not to have breached his or her duties of loyalty to the Corporation or any of its subsidiaries or any of their respective stockholders, and not to have derived an improper personal benefit therefrom.

Section 4. Amendment of Article XI

No alteration, amendment or repeal of, or adoption of any provision inconsistent with, any provision of this Article XI will have any effect upon (a) any agreement between the Corporation or a subsidiary thereof and any Other Entity, that was entered into before the time of such alteration, amendment or repeal or adoption of any such inconsistent provision (the "Amendment Time"), or any transaction entered into in connection with the performance of any such agreement, whether such transaction is entered into before or after the Amendment Time, (b) any transaction entered into between the Corporation or a subsidiary thereof and any Other Entity, before the Amendment Time, (c) the allocation of any business opportunity between the Corporation or any subsidiary thereof and any Other Entity before the Amendment Time, or (d) any duty or obligation owed by any Covered Stockholder, director or officer of the Corporation or any subsidiary of the Corporation (or the absence of any such duty or obligation) with respect to any Potential Business Opportunity which such Covered Stockholder, director or officer was offered, or of which such Covered Stockholder, director or officer otherwise became aware, before the Amendment Time (regardless of whether any proceeding relating to any of the above is commenced before or after the Amendment Time).

ARTICLE XII

Section 1. Forum Selection

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII.

IN WITNESS WHEREOF, News Corporation has caused this Restated Certificate of Incorporation to be executed by its duly authorized officer on this 19th day of September, 2013.

NEWS CORPORATION

By: /s/ Michael L. Bunder

Name: Michael L. Bunder

Title: Senior Vice President, Deputy General

Counsel & Corporate Secretary

**CERTIFICATE OF DESIGNATIONS, PREFERENCES AND
RIGHTS OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK**

OF

NEWS CORPORATION

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

We, the undersigned, Michael Bunder, Senior Vice President, and Eugenie C. Gavenchak, Senior Vice President, of News Corporation, a Delaware corporation (hereinafter called the "Corporation"), pursuant to the provisions of Sections 103 and 151 of the General Corporation Law of the State of Delaware, do hereby make this Certificate of Designations and do hereby state and certify that pursuant to the authority expressly vested in the Board of Directors of the Corporation by the Amended and Restated Certificate of Incorporation, the Board of Directors duly adopted the following resolutions:

RESOLVED, that, pursuant to Section 1(a) of Article IV of the Amended and Restated Certificate of Incorporation (which authorizes 25,000,000 shares of preferred stock, \$0.01 par value per share ("Preferred Stock") of which none have already been designated), the Board of Directors hereby fixes the powers, designations, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions, of a series of Preferred Stock;

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Amended and Restated Certificate of Incorporation, a series of Preferred Stock of the Corporation be and it hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares constituting such series shall be 2,250,000.

2. Dividends and Distributions.

(a) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the 1st day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$0.10 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the

aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Class B Common Stock of the Corporation since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after 9:00 am New York City time on June 28, 2013 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in Paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$0.10 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(a) Each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to one (1) vote on all matters submitted to a vote of the stockholders of the Corporation.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) directors or, if such right is exercised at an annual meeting, to elect two (2) directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect directors in any default period and during the continuance of such period, the number of directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice-

President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this Paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this Paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of directors until the holders of Preferred Stock shall have exercised their right to elect two (2) directors voting as a class, after the exercise of which right (x) the directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in Paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining directors theretofore elected by the holders of the class of stock which elected the director whose office shall have become vacant. References in this Paragraph (C) to directors elected by the holders of a particular class of stock shall include directors elected by such directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect directors shall cease, (y) the term of any directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of Paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining directors.

(d) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

5. **Reacquired Shares.** Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

6. Liquidation, Dissolution or Winding Up. (a) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received an amount equal to \$1000 per share of Series A Junior Participating Preferred Stock, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 1,000 (as appropriately adjusted as set forth in subparagraph (C) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(c) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the

outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

10. Amendment. At any time when any shares of Series A Junior Participating Preferred Stock are outstanding, neither the Amended and Restated Certificate of Incorporation of the Corporation nor this Certificate of Designations shall be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

12. Certain Definitions. As used herein with respect to the Series A Junior Participating Preferred Stock, the following terms shall have the following meanings:

(a) The term "Class A Common Stock" means the class of common stock designated as the Class A common stock, par value \$0.01 per share, of the Corporation at the date hereof or any other class of stock resulting from successive changes or reclassification of the common stock.

(b) The term "Class B Common Stock" means the class of common stock designated as the Class B common stock, par value \$0.01 per share, of the Corporation at the date hereof or any other class of stock resulting from successive changes or reclassification of the common stock.

(c) The term "Common Stock" means the common stock, par value \$0.01 per share, of the Corporation at the date hereof or any other stock resulting from successive changes or reclassifications of the common stock, and includes both the Class A Common Stock and the Class B Common Stock.

13. Effective Time. The effective time of this Certificate of Designations shall be June 28, 2013, the date of filing with the Secretary of State of the State of Delaware, at 3:45 pm.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this 28th day of June, 2013.

/s/ Michael Bunder

Name: Michael Bunder

Title: Senior Vice President

Attest:

/s/ Eugenie C. Gavenchak

Name: Eugenie C. Gavenchak

Title: Senior Vice President

Signature Page to Certificate of Designation of News Corporation



FOXTEL Management Pty Limited
Each Initial Financier named in Schedule 1
Commonwealth Bank of Australia as Facility Agent

Syndicated Revolving Facility Agreement

The Allens contact for this document is Alan Maxton

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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This Agreement is made on 8 October 2013

Parties

- 1 **FOXTEL Management Pty Limited** ABN 65 068 671 938 of 5 Thomas Holt Drive, North Ryde, NSW, 2113 in its own capacity (the *Initial Borrower*);
- 2 Each bank or financial institution named in **Schedule 1** (each an *Initial Financier*), and
- 3 **Commonwealth Bank of Australia** ABN 48 123 123 124 of Level 22, 201 Sussex Street, Darling Park Tower, Sydney, NSW, 2000 (the *Facility Agent*).

Recitals

The Initial Borrower has requested the Financiers to provide a facility under which cash advances of up to a maximum of A\$300,000,000 may be made available to the Borrowers.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Agreement:

Availability Period means the period commencing on Financial Close and ending on the earlier of:

- (a) one month prior to the Maturity Date; or
- (b) the date on which the Commitments are cancelled in full.

Base Rate for a period means:

- (a) the Screen Rate; or
- (b) if:
 - (i) no Screen Rate is available for a term closest to that period; or
 - (ii) the basis on which the Screen Rate is calculated or displayed is changed and the Majority Financiers instruct the Facility Agent (after consultation by the Facility Agent with the Initial Borrower) that in their opinion it ceases to reflect the Financiers' costs of funding to the same extent as at the date of this Agreement, and no new relevant page or service is specified under the definition of 'Screen Rate',

then the Base Rate will be the rate determined by the Facility Agent to be the arithmetic mean of the buying rates quoted to the Facility Agent by three Reference Banks at or about 10.30am (Sydney time) on the first day of that period provided that, and subject to clause 9, if a Reference Bank does not supply a quotation by the time specified, the applicable Base Rate shall be determined on the basis of the quotations of the remaining Reference Banks. The buying rates must be for bills of exchange accepted by leading Australian banks which have a term closest to the period.

Rates will be expressed as a yield percent per annum to maturity, and if necessary will be rounded to the nearest fourth decimal place.

Borrower means the Initial Borrower or a New Borrower.

Borrower Assumption Letter means a letter substantially in the form of Annexure A.

Break Costs means, in relation to a Financier, the amount determined by that Financier as being incurred by reason of the liquidation or re-employment of deposits or other funds acquired or contracted for, or allocated by the Financier to fund or maintain its commitments under the Finance Documents or the termination or repricing of any interest rate or currency swap or other hedging arrangement (including an internal arrangement) entered into by the Financier in connection with the liquidation or re-employment of those deposits or other funds.

Code means the US Internal Revenue Code of 1986.

Commitment in relation to a Financier means the amount specified opposite the relevant Financier's name in Schedule 1 as reduced or cancelled under this Agreement.

Common Terms Deed Poll means the common terms deed poll dated 10 April 2012 given by FOXTEL Management Pty Limited, the parties listed in Schedule 1 to that document and others in favour of the Finance Parties (as defined therein).

Existing Commitment Allocation means, in relation to a Financier, that Financier's unused and drawn commitment under the Existing Syndicated Facility Agreement.

Existing Syndicated Facility Agreement means the Syndicated Bridge Facility Agreement between the Initial Borrower and others dated 10 April 2012 (as amended from time to time).

Exposure means, in respect of a Financier, the aggregate Principal Outstanding in respect of that Financier under the Facility at that time.

Facility means the A\$300,000,000 revolving cash advance facility made available to the Borrowers under this Agreement.

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a party that is entitled to receive payments free from any FATCA Deduction.

Finance Document means:

- (a) this Agreement;
- (b) any Swap Agreement to which a Financier is a counterparty;
- (c) the Common Terms Deed Poll;
- (d) any Guarantee Assumption Deed Poll;
- (e) any Borrower Assumption Letter;
- (f) any Substitution Certificate;
- (g) any Subordination Deed;
- (h) any document under which a Transaction Facility is provided; or
- (i) any other document or agreement agreed in writing to be a Finance Document for the purposes of this Agreement by the Initial Borrower and the Facility Agent,

or any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any of the above

Finance Party means:

- (a) the Facility Agent; or
- (b) any Financier.

Financial Close means the date (on or before 31 October 2013) on which the Facility Agent has issued a notice specifying that all conditions precedent referred to in clause 2.1 have been satisfied or waived.

Financier means:

- (a) any Initial Financier; or
- (b) any Substitute Financier,

unless they have ceased to be a Financier in accordance with this Agreement.

Funding Date means the date on which a Funding Portion is provided or redrawn, or is to be provided or redrawn, to or by a Borrower under this Agreement.

Funding Notice means a notice in the form of Annexure B.

Funding Portion means each portion of the Commitments provided under this Agreement which has the same Funding Date and Interest Period.

Funding Rate means, in respect of an Interest Period, the aggregate of:

- (a) the Base Rate for that Interest Period; and
- (b) the Margin.

Interest Payment Date means the last day of each Interest Period.

Interest Period means a period determined under clause 5.6.

Lending Office means, in respect of a Financier, the office of that Financier set out opposite its name in Schedule 1, or any other office notified by the Financier under this Agreement.

Liquidity Bill means a Bill drawn under clause 12.

Majority Financiers means Financiers whose aggregate Exposure is more than two thirds of the Total Exposure.

Margin means at any time the rate calculated in accordance with clause 7.4.

Market Disruption Event means:

- (a) at or about noon on the first day of the Interest Period, the Screen Rate is not available and none or only one of the Reference Banks provides a rate to the Facility Agent to determine the Bank Bill Rate for the relevant Interest Period (in which case each Financier participating in the relevant Funding Portion will be an **Affected Financier**); or
- (b) before 5.00 pm (Sydney time) on the Business Day after the first day of the relevant Interest Period, the Facility Agent receives notifications in good faith from Financiers whose participation in the relevant drawdown is, or will be, equal to or greater than 33% of the principal amount under the drawdown, that as a result of market circumstances not limited to it, the cost of obtaining matching deposits in the Australian bank bill market to those Financiers would be in excess of the Bank Bill Rate or it is unable to obtain matching deposits in the Australian bank bill market (in which case an **Affected Financier** will be a Financier which gives such a notice).

Maturity Date means the date that is 5 years after the date of this Agreement.

New Borrower means any Guarantor incorporated in Australia which accedes to this Agreement as a Borrower in accordance with clause 16.7.

Net Commitment means, in relation to a Financier, that Financier's Undrawn Commitment minus that Financier's Existing Commitment Allocation (if any).

Principal Outstanding means, at any time, the aggregate principal amount of all outstanding Funding Portions under the Facility at that time.

Pro Rata Share of a Financier, in respect of a Funding Portion, means the proportion of that Financier's participation in that Funding Portion to the amount of that Funding Portion. That proportion will be determined under clause 4.2.

Reference Bank means:

- (a) Commonwealth Bank of Australia;
- (b) Westpac Banking Corporation;
- (c) Australia and New Zealand Banking Group Limited; or
- (d) National Australia Bank Limited,

or such other person as the Facility Agent and the Initial Borrower may agree.

Retiring Financier means a Financier who has assigned or transferred any of its rights or obligations under clause 16 and who is a party to a Substitution Certificate.

Screen Rate means the average bid rate displayed at or about 10.15am (Sydney time) on the first day of the relevant period on the Reuters screen BBSY page for a term closest to the relevant period.

If the agreed page is replaced, the service ceases to be available, or the basis on which that rate is calculated or displayed is changed and the Majority Financiers instruct the Facility Agent (after consultation by the Facility Agent with the Initial Borrower) that in their opinion it ceases to reflect the Financiers' cost of funding to the same extent as at the date of this Agreement, the Facility Agent on the instructions of the Majority Financiers may specify another page or service displaying the appropriate rate after consultation by the Facility Agent with the Initial Borrower.

Substitute Financier means the person substituted by a Financier under clause 16.4.

Substitution Certificate means a certificate substantially in the form of Annexure D.

Total Exposure means, at any time, the aggregate Exposure of all Financiers at that time.

Total Undrawn Commitments means, at any time, the aggregate of the Undrawn Commitments of all Financiers at that time.

Transaction Facility means any facility provided by a Finance Party to any one or more of the Transaction Parties.

Undrawn Commitment means, in respect of a Financier at any time, the Commitment of that Financier at that time less the Principal Outstanding provided by that Financier at that time.

US Tax Obligor means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

1.2 Incorporated definitions

Unless expressly defined in this Agreement, capitalised terms defined in the Common Terms Deed Poll have the same meaning in this Agreement.

1.3 Common Terms Deed Poll

- (a) This Agreement and the rights and obligations of the parties to it are subject to the terms and conditions of the Common Terms Deed Poll which are deemed to be incorporated in full into this Agreement as if expressly set out in this Agreement (with the necessary changes).
- (b) Each Finance Document is a **Finance Document** for the purposes of the Common Terms Deed Poll.

2 Conditions precedent

2.1 Initial conditions precedent

The right of a Borrower to give the first Funding Notice and the obligations of each Financier under this Agreement are subject to the condition precedent that the Facility Agent receives all of the items described in Schedule 2 in form and substance satisfactory to the Facility Agent (acting on the instructions of all Financiers). The Facility Agent shall notify the Borrowers and the Financiers promptly upon being so satisfied.

2.2 Conditions precedent to all Funding Portions

The right of a Borrower to give a Funding Notice and the obligations of each Financier to make available financial accommodation under this Agreement are subject to the further conditions precedent that as at the date of the relevant Funding Notice and relevant Funding Date:

- (a) **representations and warranties:** each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect as though they had been made in respect of the facts and circumstances then subsisting; and
- (b) **no Default:** no Event of Default or, except in relation to a rollover of an existing drawing, Potential Event of Default, is continuing or will result from the Funding Portion being provided.

3 Purpose

Each Borrower shall use the net proceeds of all accommodation provided under the Facility to:

- (a) refinance the Existing Syndicated Facility Agreement; and
- (b) fund the general working capital and corporate requirements of the FOXTEL Group.

4 Commitments

4.1 Commitment

- (a) Subject to this Agreement, whenever a Borrower requests a Funding Portion in a Funding Notice, each Financier shall provide its Pro Rata Share of that Funding Portion to the Facility Agent in Same Day Funds in Dollars by 12 noon on the relevant Funding Date for the account of that Borrower, except to the extent the Funding Portion continues a previous Funding Portion. On receipt the Facility Agent shall pay it to the relevant account specified in the Funding Notice.
- (b) A Financier is not obliged to make available its Pro Rata Share in a Funding Portion if as a result its participation in all outstanding Funding Portions would exceed its Commitment.

4.2 Allocation among Financiers

Each Financier shall participate in each Funding Portion rateably according to its Commitment.

4.3 Obligations several

The obligations and rights of each Financier under this Agreement are several and:

- (a) failure of a Financier to carry out its obligations shall not relieve any other Financier of its obligations;
- (b) no Financier shall be responsible for the obligations of any other Financier or the Facility Agent; and
- (c) subject to the provisions of the Finance Documents each Financier may separately enforce its rights under any Finance Document.

5 Funding and rate setting procedures

5.1 Delivery of a Funding Notice

- (a) If a Borrower requires the provision of a Funding Portion, it must deliver a Funding Notice to the Facility Agent.
- (b) The Facility Agent must notify each Financier of:
 - (i) the contents of each Funding Notice; and
 - (ii) the amount of that Financier's Pro Rata Share of the Funding Portion requested,as soon as reasonably practicable and in any event within 1 Business Day after the Facility Agent receives a Funding Notice under clause 5.1(a).

5.2 Requirements for a Funding Notice

A Funding Notice to be effective must be:

- (a) in writing in the form of, and specifying the matters required in, Annexure B; and
- (b) received by the Facility Agent before 11.00 am on a Business Day at least 2 Business Days before the proposed Funding Date (or any shorter period that the Facility Agent agrees in writing).

5.3 Irrevocability of Funding Notice

A Borrower is irrevocably committed to draw Funding Portions from the Financiers in accordance with each Funding Notice issued by it.

5.4 Number of Funding Portions

The Borrowers shall ensure that there are no more than 10 Funding Portions outstanding at any time.

5.5 Amount of Funding Portions

The Borrowers shall ensure that each Funding Portion is:

- (a) a minimum of A\$10,000,000 and an integral multiple of A\$5,000,000; or
- (b) equal to the Total Undrawn Commitments.

5.6 Selection of Interest Periods

- (a) Each Borrower must select the Interest Period which is to apply to a Funding Portion requested by it in the Funding Notice delivered for that Funding Portion.
- (b) Each Interest Period must be of 1, 2 or 3 months or any other period that the Facility Agent agrees with the relevant Borrower.
- (c) If an Interest Period ends on a day which is not a Business Day, it is regarded as ending on the next Business Day in the same calendar month or, if none, the preceding Business Day.
- (d) An Interest Period for a Funding Portion commences either on the first Funding Date for that Funding Portion or on the last day of the immediately preceding Interest Period for that Funding Portion.
- (e) No Interest Period may end after the Maturity Date.
- (f) If a Borrower:
 - (i) fails to select an Interest Period for a Funding Portion under clause 5.6(a); or
 - (ii) selects an Interest Period in a manner which does not comply with this clause 5.6,then the Facility Agent may vary any Funding Notice to ensure compliance.
- (g) If a Borrower fails to give a Funding Notice in accordance with this clause 5 in respect of a Funding Portion which is to be continued by the provision of a new Funding Portion on the last day of its Interest Period, it will be taken to have given a Funding Notice electing to redraw that Funding Portion for the same Interest Period as the previous Interest Period.

5.7 Consolidation of Funding Portions

If two or more Funding Portions have Interest Periods which are of the same duration, then those Funding Portions will be consolidated into, and treated as, a single Funding Portion.

5.8 Determination of Funding Rate

- (a) The Facility Agent must notify each Financier and each Borrower of the Funding Rate for an Interest Period promptly, and in any event within 2 Business Days, after it has made its determination of the applicable Base Rate.
- (b) In the absence of manifest error, each determination of the Base Rate by the Facility Agent is conclusive evidence of that rate against the Borrowers.

6 Cancellation of Commitment and Prepayments

6.1 Cancellation of Commitments during the Availability Period

- (a) A Borrower may cancel all or part of the Total Undrawn Commitments by giving the Facility Agent at least 3 Business Days notice.
- (b) A partial cancellation of the Total Undrawn Commitments may only be made in a minimum amount of A\$10,000,000 and in an integral multiple of A\$1,000,000.
- (c) The Commitment of a Financier is cancelled rateably in accordance with the proportion its Undrawn Commitment bears to the Total Undrawn Commitments.

6.2 Cancellation at end of Availability Period

At 5.00 pm (Sydney time) on the last day of the Availability Period, the Undrawn Commitment of the Financiers will be cancelled.

6.3 Voluntary Prepayment

- (a) A Borrower may prepay all or part of the Principal Outstanding by giving the Facility Agent at least 5 Business Days notice. That notice is irrevocable. The Borrower shall prepay in accordance with it.
- (b) A prepayment of part only of the Principal Outstanding must be for a minimum of A\$5,000,000 and in an integral multiple of A\$1,000,000.
- (c) Any amount prepaid under this clause may be redrawn.

6.4 General provisions regarding prepayment and cancellation

- (a) A Borrower may make a prepayment under clause 6.3 only on a Business Day.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except that the relevant Borrower will be liable for any Break Costs arising as a consequence of the prepayment of all or any part of a Funding Portion other than on the last day of its Interest Period.
- (c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (d) Prepayment of an amount under this clause will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding.

7 Interest and Margin

7.1 Interest rate

Interest accrues from day to day on the outstanding principal amount of each Funding Portion at the rate per annum determined by the Facility Agent to be the Funding Rate for the relevant Interest Period.

7.2 Basis of Calculation of Interest

Interest will be calculated on the basis of a 365 day year and for the actual number of days elapsed from and including the first day of each Interest Period to (but excluding) the last day of the Interest Period or, if earlier, the date of prepayment or repayment of the Funding Portion in accordance with this Agreement.

7.3 Payment of Interest

Each Borrower shall pay that accrued interest on any Funding Portion made available to it in arrears on each Interest Payment Date.

7.4 Margin

The Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date. Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

Total Debt to EBITDA	Margin
above 3.5	2.50% p.a.
above 3.0 but \leq 3.5	2.15% p.a.
above 2.5 but \leq 3.0	1.90% p.a.
above 2.0 but \leq 2.5	1.70% p.a.
above 1.5 but \leq 2.0	1.55% p.a.
\leq 1.5	1.50% p.a.

8 Repayment

- Each Borrower shall repay each Funding Portion drawn by it on the last day of its Interest Period except to the extent it has been continued by the provision of a new Funding Portion on that day.
- Amounts repaid under paragraph (a) are available for redrawing in accordance with this Agreement.
- Repayment of a Funding Portion will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding of the Funding Portion repaid.
- All Funding Portions must be repaid in full on the Maturity Date.

9 Market Disruption

9.1 Market disruption

- If the Facility Agent determines that a Market Disruption Event occurs in relation to a Funding Portion for any Interest Period, then it shall promptly notify the Initial Borrower and the Financiers, and the rate of interest on each Affected Financier's participations in that Funding Portion for that Interest Period shall be the rate per annum which is the sum of:

- (i) the Margin; and
 - (ii) the rate notified to the Facility Agent by that Affected Financier as soon as practicable and in any event no later than the Business Day before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Affected Financier of funding its participation in that Funding Portion from whatever source or sources it may reasonably select.
- (b) Each Affected Financier shall determine the rate notified by it under sub-paragraph (a)(ii) above in good faith. The rate so notified and any notification under paragraph (b) of the definition of Market Disruption Event, will be conclusive and binding on the parties in the absence of manifest error.

9.2 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Facility Agent or the Initial Borrower so requires, the Facility Agent and the Initial Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall only apply with the prior consent of all the Financiers and the Initial Borrower, and then shall be binding on all parties to this Agreement.
- (c) The Facility Agent shall promptly inform the Initial Borrower and each Financier of any alternative basis agreed under this clause 9.2.

9.3 Agent's role and confidentiality

- (a) The Facility Agent shall promptly notify to the Initial Borrower:
 - (i) on request any rate, or other information notified or specified by a Financier under this clause 9; and
 - (ii) if there is a Market Disruption Event, the identity of any Financier or Financiers giving a notification under paragraph (b) of the definition of Market Disruption Event.
- (b) Each of the Facility Agent and the Initial Borrower shall keep confidential and not disclose to any other Financier or any other person except the Borrowers, any information relating to a Financier described in paragraph (a) above. The Facility Agent shall ensure that its officers and employees involved in performing its functions as Facility Agent keep that information confidential and do not disclose it or allow it to be available to any other person or office within the Facility Agent.
- (c) However, the Facility Agent, the Initial Borrower or its officers or employees may disclose such information:
 - (i) to the extent required by any applicable law or regulation; or
 - (ii) to the extent it reasonably deems necessary in connection with any actual or contemplated proceedings or a claim with respect to this clause 9.

10 Anti Money Laundering

- (a) Each Borrower agrees that a Financier may delay, block or refuse to process any transaction without incurring any liability if that Financier suspects that:
 - (i) the transaction may breach any laws or regulations in Australia or any other country binding on that Financier;
 - (ii) the transaction involves any person (natural, corporate or governmental) in a manner that would breach economic and trade sanctions imposed by Australia, the United States, the European Union or any country binding on that Financier; or
 - (iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country and the transaction would breach or cause that Financier to breach any laws or regulations binding on that Financier.
- (b) Each Borrower must provide all information to each Financier which that Financier reasonably requires in order to manage its anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other country. Each Borrower agrees that a Financier may disclose any information concerning a Borrower or any Transaction Party to any law enforcement, regulatory agency or court where and to the extent required by any such law or regulation or authority in Australia or elsewhere.
- (c) Each Borrower declares and undertakes to each Financier that to the best of its knowledge, information and belief the processing of any transaction by the Financier in accordance with that Borrower's instructions will not breach any laws or regulations in Australia or any other country relevant to the transaction.

11 FATCA

- (a) No additional amount is payable to a Financier under clause 3 (Payments), clause 9.1 (Increased costs) or clause 12.1 (Tax) of the Common Terms Deed Poll, if the obligation to do so is attributable to a FATCA Deduction required to be made by a Transaction Party in respect of the Facility.
- (b) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction. Despite the terms of the Common Terms Deed Poll, if a Transaction Party is required to make a FATCA Deduction in respect of the Facility, the Transaction Party shall not be required to pay any additional amount in respect of that FATCA Deduction under clause 3 (Payments), clause 9.1 (Increased costs) or clause 12.1 (Tax) of the Common Terms Deed Poll.
- (c) Each party shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to whom it is making the payment and, in addition, shall notify the Initial Borrower, the Facility Agent and the Financiers.
- (d) Subject to paragraph (f) below, each party shall, within ten Business Days of a reasonable request by another party:
 - (i) confirm to that other party whether or not it is a FATCA Exempt Party; and
 - (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable "passthru payment percentage" or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.

- (e) If a party confirms to another party pursuant to paragraph (d)(i) that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.
- (f) Paragraph (d) above shall not oblige any Financier or the Facility Agent to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (g) If a party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (d) above (including where paragraph (f) above applies), then:
 - (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
 - (ii) if that party failed to confirm its applicable “passthru payment percentage” then such party shall be treated for the purposes of the Finance Documents (and payments made under them) as if its applicable “passthru payment percentage” is 100%,until (in each case) such time as the party in question provides the requested confirmation, forms, documentation or other information.
- (h) If a Borrower is a US Tax Obligor, or where the Facility Agent reasonably believes that its obligations under FATCA require it, each Financier shall, within ten Business Days of:
 - (i) where a Borrower is a US Tax Obligor and the relevant Financier is an Initial Financier, the date of this Agreement;
 - (ii) where a Borrower is a US Tax Obligor and the relevant Financier is not an Initial Lender, the date of the relevant assignment or transfer;
 - (iii) the date a US Tax Obligor becomes a new Borrower under this Agreement; or
 - (iv) where the Borrower is not a US Tax Obligor, the date of a request from the Facility Agent supply to the Facility Agent:
 - (v) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); or
 - (vi) any withholding statement and other documentation, authorisations and waivers as the Facility Agent may require to certify or establish the status of such Financier under FATCA.

The Facility Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Financier pursuant to this paragraph (h) to the Initial Borrower and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (h).

- (i) Each Financier agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Facility Agent pursuant to paragraph (h) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Facility Agent in writing of its legal inability to do so. The Facility Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to the Initial Borrower. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (i).

12 Liquidity Bills

- (a) Each Borrower irrevocably and for value authorises each Financier, at its option, to prepare Liquidity Bills in respect of a Funding Portion so that:
 - (i) their total face value amount does not exceed the outstanding principal amount of the Financier's share of the Funding Portion (as notified by the Facility Agent under clause 5.1) and total interest payable to the Financier in respect of the Funding Portion; and
 - (ii) their maturity date is not later than the last day of the Interest Period for that Funding Portion,and to sign them as drawer or endorser in the name of and on behalf of a Borrower.
- (b) A Financier may negotiate or deal with any Liquidity Bill prepared by it as it sees fit and for its own benefit.
- (c) A Financier must pay any Tax on or in respect of the Liquidity Bills and any dealing with the Liquidity Bills in respect of that Financier.
- (d) Each Financier indemnifies each Borrower against any Loss which that Borrower suffers, incurs or is liable for in respect of that Borrower being a party to a Liquidity Bill in respect of that Financier.
- (e) Nothing in clause 12(d) affects a Borrower's obligations under this Agreement (including its obligations in relation to the payment of the Secured Moneys) which are absolute and unconditional obligations and not affected by any actual or contingent liability of any Financier to any Borrower under clause 12(d).
- (f) If a Borrower discharges any Liquidity Bill by payment, the amount of that payment is regarded as applied on the date of payment against the money owing by that Borrower to the Financier who prepared that Liquidity Bill.

13 Fees

13.1 Commitment fee

- (a) A commitment fee accrues at the rate of 50% of the applicable Margin that would apply in relation to a Funding Portion outstanding on the date the fee is payable on the daily amount of the Net Commitment (if any) of each Financier from the date of this Agreement to (and including) the last date of the Availability Period.

- (b) The Initial Borrower shall pay (or procure payment of) the accrued commitment fee for the period from the date of this Agreement up to (and including) Financial Close on the earlier of:
 - (i) Financial Close; and
 - (ii) the date on which any Commitment is terminated.
- (c) The Initial Borrower shall pay (or procure payment of) the accrued commitment fee for the period after Financial Close on the last Business Day of each calendar quarter and at the end of the Availability Period.

13.2 Establishment fee

The Initial Borrower shall pay (or procure payment) to the Facility Agent for the account of the Initial Financiers the establishment fees as agreed between the Initial Borrower and the Initial Financiers.

13.3 Agent's fees

The Initial Borrower shall pay (or procure payment to) the Facility Agent its fees as agreed between the Initial Borrower and the Facility Agent.

14 Interest on Overdue Amounts

14.1 Accrual

Except where the relevant Finance Document provides otherwise, interest accrues on each unpaid amount which is due and payable by a Borrower under or in respect of any Finance Document (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at the rate determined by the Facility Agent to be the sum of 2% pa plus the higher of:
 - (i) the rate (if any) applicable to the unpaid amount immediately before the due date; and
 - (ii) the Funding Rate, based on an Interest Period of 30 days and, the Margin.

14.2 Payment

Each Borrower shall pay interest accrued under this clause on demand by the Facility Agent and on the last Business Day of each calendar quarter. That interest is payable in the currency of the unpaid amount on which it accrues.

15 Break Costs

A Borrower must, within 3 Business Days of demand by the Facility Agent, pay (without double counting in respect of amounts paid under clause 11.1(b) of the Common Terms Deed Poll) to the Facility Agent for the account of each Financier its Break Costs attributable to all or any part of a Funding Portion being repaid or prepaid by that Borrower on a day other than the last day of the Interest Period for that Funding Portion.

16 Assignments

16.1 Assignment by Borrowers

A Borrower may only assign or transfer any of its rights or obligations under this Agreement with the prior written consent of the Facility Agent acting on the instructions of all Financiers.

16.2 Assignment by Financiers

A Financier may assign or transfer all or any of its rights or obligations under the Finance Documents at any time if:

- (a) any necessary prior Authorisation is obtained;
- (b) except if an Event of Default is continuing, in the case of any Financier, its remaining participation (if any) and the participation of the transferee or assignee in the Commitments is not less than A\$30,000,000;
- (c) the transferee or assignee is:
 - (i) a Related Body Corporate of the Financier or another Financier (in which case clause 16.2(b) shall not apply), and the Initial Borrower has been given prior written notice of the transfer or assignment;
 - (ii) a bank or financial institution if:
 - (A) where the transfer complies with clause 16.2(b), the Initial Borrower has been given prior written notice of the transfer or assignment; or
 - (B) where the transfer does not comply with clause 16.2(b), the Initial Borrower has given prior written consent to the transfer or assignment; or
 - (iii) any person if an Event of Default is continuing; and
- (d) in the case of a transfer of obligations, the transfer is effected by a substitution under clause 16.4.

16.3 Securitisation

A Financier may, without the consent of any Transaction Party but with prior written notice to the Initial Borrower, assign, transfer, sub-participate or otherwise deal with all or any part of its rights and benefits under the Finance Documents to a securitisation vehicle so long as the Financier remains the lender of record.

16.4 Substitution certificates

- (a) If a Financier wishes to substitute a new bank or financial institution for all or part of its participation under this Agreement, it and the substitute shall execute and deliver to the Facility Agent 4 counterparts of a certificate substantially in the form of Annexure D together with a registration fee of \$3,500 plus GST (where the substitute is an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth)) or such other amount advised by the Facility Agent from time to time (where the substitute is not an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth))).
- (b) On receipt of the certificate and registration fee, if the Facility Agent is satisfied that the substitution complies with clause 16.2 and the Facility Agent has completed all “know your customer” checks to its satisfaction in relation to the substitution, it shall promptly:
 - (i) notify the Initial Borrower;
 - (ii) countersign the counterparts on behalf of all other parties to this Agreement;

- (iii) enter the substitution in a register kept by it (which will be conclusive); and
 - (iv) retain one counterpart and deliver the others to the Retiring Financier, the Substitute Financier and the Initial Borrower.
- (c) When the certificate is countersigned by the Facility Agent the Retiring Financier will be relieved of its obligations, and the Substitute Financier will be bound by the Finance Documents, as stated in the certificate.
- (d) Each other party to this Agreement irrevocably authorises the Facility Agent to sign each certificate on its behalf.

16.5 Change of Lending Office

A Financier may change its Lending Office if it first notifies and consults with the Initial Borrower.

16.6 No increased costs

Despite anything to the contrary in this Agreement, if a Financier assigns its rights under this Agreement or changes its Lending Office, a Borrower will not be required to pay any net increase in the total amount of costs, Taxes, fees or charges which is a direct result of the assignment or change and of which that Financier or its assignee was aware or ought reasonably to have been aware on the date of the assignment or change. For this purpose only, a substitution under clause 16.4 will be regarded as an assignment.

16.7 New Borrower

Any Guarantor incorporated in Australia may become a Borrower if the Facility Agent has received the following in form and substance satisfactory to it:

- (a) **(verification certificate)** a certificate in relation to that Guarantor given by two officers of that Guarantor substantially in the form of Annexure C;
- (b) **(completed documents)** a Borrower Assumption Letter duly executed by that Guarantor;
- (c) **(know your customer)** evidence of receipt of all “know your customer” documentation which is reasonably required by the Facility Agent to permit each Financier to carry out all necessary “know your customer” or other similar checks under all applicable anti-money laundering laws and regulations; and
- (d) **(legal opinion)** an opinion of legal advisers to the Initial Borrower.

17 Relations between Facility Agent and Financiers

17.1 Appointment of Facility Agent

Each Financier appoints the Facility Agent to act as its agent under the Finance Documents and authorises the Facility Agent to do the following on its behalf:

- (a) amend or waive compliance with any provision of the Finance Documents in accordance with the Finance Documents (including clause 17.5);
- (b) all things which the Finance Documents expressly require the Facility Agent to do, or contemplate are to be done by the Facility Agent, on behalf of the Financiers; and
- (c) all things which are incidental or ancillary to the Powers of the Facility Agent described in clauses 17.1(a) or 17.1(b).

17.2 Facility Agent's capacity

The Facility Agent:

- (a) in its capacity as a Financier, has the same obligations and Powers under each Finance Document as any other Financier as though it were not acting as the Facility Agent; and
- (b) may engage in any kind of banking or other business with any Transaction Party without having to notify or account to the Financiers.

17.3 Facility Agent's obligations

- (a) The Facility Agent has only those duties and obligations which are expressly specified in the Finance Documents.
- (b) The Facility Agent is not required to:
 - (i) keep itself informed as to the affairs of any Transaction Party or its compliance with any Finance Document; or
 - (ii) review or check the accuracy or completeness of any document or information it forwards to any Financier or other person.

17.4 Facility Agent's powers

- (a) Except as specifically set out in the Finance Documents (including clause 17.5), the Facility Agent may exercise its Powers under the Finance Documents:
 - (i) as it thinks fit in the best interests of the Financiers; and
 - (ii) without consulting with or seeking the instructions of the Financiers.
- (b) The exercise by the Facility Agent of any Power in accordance with this clause 17 binds all the Financiers.

17.5 Instructions to Facility Agent

The Facility Agent:

- (a) must exercise its Powers in accordance with any instructions given to it by the Majority Financiers or, if specifically required to do so under a Finance Document, all Financiers;
- (b) must not:
 - (i) amend any provision of a Finance Document which has the effect of:
 - (A) increasing the obligations of any Financier; or
 - (B) changing the terms of payment of any amounts payable under the Finance Documents to any Financier; or
 - (C) changing the manner in which those payments are to be applied; or
 - (D) changing the definition of Majority Financiers; or
 - (E) changing this clause 17.5,in each case without the consent of all of the Financiers;
 - (ii) amend any other provision of any Finance Document without the consent of the Majority Financiers unless the Facility Agent is satisfied that the amendment is made to correct a manifest error or an error of a formal or technical nature only; or
 - (iii) otherwise exercise any Power which the Finance Documents specify are to be exercised with the consent or in accordance with the instructions of all Financiers or the Majority Financiers or some other number of Financiers, or amend any such requirement, except with that consent or in accordance with those instructions; and
- (c) may refrain from acting, whether in accordance with the instructions of the Financiers, the Majority Financiers or otherwise, until it has received security for any amount it reasonably believes may become payable to it by the Financiers under clause 17.12.

17.6 Assumptions as to authority

Each Transaction Party may assume, without inquiry, that any action of the Facility Agent under the Finance Documents is in accordance with any required authorisations, consents or instructions from the Financiers or the Majority Financiers (as the case may be).

17.7 Facility Agent's liability

Neither the Facility Agent nor any Related Body Corporate of the Facility Agent nor any of their respective directors, officers, employees, agents or successors is responsible to the Financiers or a Transaction Party for:

- (a) any recitals, statements, representations or warranties contained in any Finance Document, or in any certificate or other document referred to or provided for in, or received by any of them under, any Finance Document;
- (b) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Finance Document (other than as against the Facility Agent) or any other certificate or document referred to or provided for in, or received by any of them under, any Finance Document;
- (c) any failure by a Transaction Party or any Financier to perform its obligations under any Finance Document; or
- (d) any action taken or omitted to be taken by it or them under any Finance Document or in connection with any Finance Document except in the case of its or their own fraud or wilful misconduct or gross negligence.

17.8 Delegation

The Facility Agent may employ agents and attorneys but will continue to be liable for the acts or omissions of such agents and attorneys.

17.9 Distribution by Facility Agent

Unless any Finance Document expressly provides otherwise, the Facility Agent shall promptly distribute amounts received under any Finance Document firstly to itself for all amounts due to it in its capacity as Facility Agent, then for the account of the Financiers rateably among them according to their Commitments. To make any distribution the Facility Agent may buy and sell currencies in accordance with its normal procedures.

17.10 Facility Agent entitled to rely

The Facility Agent may rely on:

- (a) any certificate, communication, notice or other document (including any facsimile transmission or telegram) it believes to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons; and
- (b) advice and statements of solicitors, independent accountants and other experts selected by the Facility Agent with reasonable care.

17.11 Provision of information

- (a) The Facility Agent must forward to each Financier:
 - (i) notice of the occurrence of any Default promptly after the Facility Agent becomes actually aware of it;
 - (ii) a copy of each report, notice or other document which is intended for redistribution promptly after the Facility Agent receives it from a Transaction Party under any Finance Document; and
 - (iii) a copy of each notice or other document that the Facility Agent considers material, promptly after the Facility Agent delivers it to a Transaction Party under any Finance Document.
- (b) The Facility Agent is not to be regarded as being actually aware of the occurrence of a Default unless the Facility Agent:
 - (i) is actually aware that any payment due by a Transaction Party under the Finance Documents has not been made; or
 - (ii) has received notice from a Financier or a Transaction Party stating that a Default has occurred describing the same and stating that the notice is a '*Default Notice*'.
- (c) Without limiting clause 1.2(r)(ii) of the Common Terms Deed Poll, if the Facility Agent receives a Default Notice, the Facility Agent may treat any such Default as continuing until it has received a further Default Notice from the party giving the original notice stating that the Default is no longer continuing and the Facility Agent is entitled to rely on such second notice for all purposes under the Finance Documents.
- (d) The Facility Agent is not to be regarded as having received any report, notice or other document or information unless it has been given to it in accordance with clause 15.1 of the Common Terms Deed Poll.
- (e) Except as specified in clause 17.11(a) and as otherwise expressly required by the Finance Documents, the Facility Agent has no duty or responsibility to provide any Financier with any information concerning the affairs of any Transaction Party or other person which may come into the Facility Agent's possession.
- (f) Nothing in any Finance Document obliges the Facility Agent to disclose any information relating to any Transaction Party or other person if the disclosure would constitute a breach of any law, duty of secrecy or duty of confidentiality.

17.12 Indemnity by Financiers

The Financiers severally indemnify the Facility Agent (to the extent not reimbursed by any Transaction Party) in their Pro Rata Shares against any Loss which the Facility Agent pays, suffers, incurs or is liable for in acting as Facility Agent, and must pay such amount within 2 Business Days after demand, except to the extent such Loss is attributable to the Facility Agent's fraud, wilful misconduct or gross negligence.

17.13 Independent appraisal by Financiers

Each Financier acknowledges that it has made and must continue to make, independently and without reliance on the Facility Agent or any other Financier, and based on the documents and information it considers appropriate, its own investigation into and appraisal of:

- (a) the affairs of each Transaction Party;
- (b) the accuracy and sufficiency of any information on which it has relied in connection with its entry into the Finance Documents; and
- (c) the legality, validity, effectiveness, enforceability and sufficiency of each Finance Document.

17.14 Resignation and removal of Facility Agent

- (a) The Facility Agent may, by at least 10 Business Days notice to the Initial Borrower and the Financiers, resign at any time and the Majority Financiers may, by at least 10 Business Days notice to the Initial Borrower and the Facility Agent, remove the Facility Agent from office. The resignation or removal of the Facility Agent takes effect on appointment of a successor Facility Agent in accordance with this clause 17.14.
- (b) When a notice of resignation or removal is given, the Majority Financiers (after consulting with the Initial Borrower) may appoint a successor Facility Agent. If the Initial Borrower does not agree to the successor Facility Agent nominated by the Majority Financiers, then the Financiers and the Initial Borrower shall negotiate in good faith for a period of 10 Business Days and if there is still no agreement upon the expiry of that period, the decision of the Majority Financiers will prevail. If no successor Facility Agent is appointed within 20 Business Days, the Facility Agent may appoint a successor Facility Agent.
- (c) When a successor Facility Agent is appointed, and executes an undertaking to be bound as successor Facility Agent under the Finance Documents, the successor Facility Agent succeeds to and becomes vested with all the Powers and duties of the retiring Facility Agent, and the retiring Facility Agent is discharged from its duties and obligations under the Finance Documents.
- (d) After any retiring Facility Agent's resignation or removal, this Agreement continues in effect in respect of any actions which the Facility Agent took or omitted to take while acting as the Facility Agent.
- (e) The Facility Agent shall resign in accordance with paragraph (a) above (and, to the extent applicable), shall use reasonable endeavours to appoint a successor Facility Agent if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:
 - (i) the Facility Agent fails to respond to a request under clause 11 and the Initial Borrower or a Financier reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Facility Agent pursuant to clause 11 indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Facility Agent notifies the Initial Borrower and the Financiers that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Initial Borrower or a Financier reasonably believes that a party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and the Initial Borrower or that Financier, by notice to the Facility Agent, requires it to resign.

17.15 Institution of actions by Financiers

- (a) A Financier must not institute any legal proceedings against a Transaction Party to recover amounts owing to it under the Finance Documents, without giving the Facility Agent and each other Financier a reasonable opportunity to join in the proceedings or agree to share the costs of the proceedings.
- (b) If a Financier does not join in an action against a Transaction Party or does not agree to share in the costs of the action (having been given a reasonable opportunity to do so by the Financier bringing the action), it is not entitled to share in any amount recovered by the action until all the Financiers who did join in the action or agree to share the costs of the action have received in full all money payable to them under the Finance Documents.

17.16 Identity of Financiers

The Facility Agent may treat each Financier as the absolute legal and beneficial holder of its rights under the Finance Documents for all purposes, despite any notice to the contrary, unless otherwise required by law.

17.17 Address for notices to the Facility Agent

The Facility Agent's address, fax number and email address is those set out below, or as the Facility Agent notifies the sender:

Address: Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney NSW 2000

Email address: agencygroup@cba.com.au

Fax number: +61 2 9118 4001

Attention: Steven Furlong, Vice President—Agency

17.18 Disenfranchisement for certain Debt Purchase Transactions

- (a) For so long as any Borrower Affiliate beneficially owns a Commitment or is a party to a Debt Purchase Transaction:
 - (i) any Principal Outstanding in respect of that Commitment or Debt Purchase Transaction is taken to be zero for the purpose of determining who are the Majority Financiers for any approval, consent, waiver, amendment or other matter requiring a vote, instruction or direction by Financiers under the Finance Documents; and
 - (ii) that Borrower Affiliate and any other person with whom it has entered into a Debt Purchase Transaction will be taken not to be a Financier for the purposes of instructing the Facility Agent (unless, in the case of that other person, it is a Financier in respect of another Commitment).
- (b) Each Financier must promptly notify the Facility Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Borrower Affiliate, together with the amount of Commitment to which the Debt Purchase Transaction relates.
- (c) Each Financier that is a Borrower Affiliate agrees that (unless the Facility Agent otherwise agrees):
 - (i) it is not entitled to receive the agenda or any minutes of, nor to attend or participate in, any meeting or conference call to which all Financiers or the Majority Financiers are invited to attend or participate in; and
 - (ii) it is not entitled to receive any report or other document prepared at the request of, or on the instructions of, the Facility Agent or one or more of the Financiers.

- (d) In this clause:
- (i) Borrower Affiliate means:
 - (A) a Transaction Party and each member of the FOXTEL Group;
 - (B) a Related Body Corporate of any person described in paragraph (A) above;
 - (C) any entity, or the trustee of any trust or fund, which is managed or controlled by any person described in paragraph (A) or (B) above; and
 - (D) any partnership of which any person described in paragraph (A) or (B) above is a partner.
 - (ii) **Debt Purchase Transaction** means, in relation to a person, a transaction where that person:
 - (A) purchases by way of assignment or transfer; or
 - (B) enters into any sub-participation (or any agreement or arrangement having an economic substantially similar effect as a sub-participation) in respect of,
any Commitment or Principal Outstanding.

18 Facility Agent Dealings

Except where expressly provided otherwise:

- (a) all correspondence under or in relation to the Finance Documents between a Financier on the one hand, and a Transaction Party on the other, will be addressed to the Facility Agent; and
- (b) the Financiers and the Transaction Parties severally agree to deal with and through the Facility Agent in accordance with this Agreement.

19 Control Accounts

The accounts kept by the Facility Agent constitute sufficient evidence, unless proven wrong, of the amount at any time due from any Borrower under this Agreement.

20 Proportionate Sharing

20.1 Sharing

- (a) Whenever a Financier (**Financier A**) receives or recovers any money in respect of any sum due from a Borrower under this Agreement in any way (including by set-off) except through distribution by the Facility Agent under this Agreement:
 - (i) Financier A will promptly notify the Facility Agent and pay an amount equal to the amount of that money to the Facility Agent (unless the Facility Agent directs otherwise); and
 - (ii) the Facility Agent will deal with the amount as if it were a payment by the Borrower on account of all sums then payable to the Financiers.
- (b) Unless paragraph (c) applies:
 - (i) the payment or recovery will be taken to have been a payment for the account of the Facility Agent and not to Financier A for its own account, and the liability of that Borrower to Financier A will only be reduced to the extent of any distribution received by Financier A under paragraph (a)(ii); and

- (ii) (without limiting sub-paragraph (i)) each Borrower shall indemnify Financier A against a payment under paragraph (a)(i) to the extent that (despite sub-paragraph (i)) its liability has been discharged by the recovery or payment.
- (c) Where:
- (i) the money referred to in paragraph (a) was received or recovered otherwise than by payment (for example, set-off); and
 - (ii) that Borrower, or the person from whom the receipt or recovery is made, is insolvent at the time of the receipt or recovery, or at the time of the payment to the Facility Agent, or becomes insolvent as a result of the receipt, or recovery or the payment,
- then the following will apply so that the Financiers have the same rights and obligations as if the money had been paid by that Borrower to the Facility Agent for the account of the Financiers and distributed accordingly:
- (iii) each other Financier will assign to Financier A an amount of the debt owed by that Borrower to that Financier under the Finance Documents equal to the amount received by that Financier under paragraph (a);
 - (iv) Financier A will be entitled to all rights (including interest and voting rights) under the Finance Documents in respect of the debt so assigned; and
 - (v) that assignment will take effect automatically on payment of the distributed amount by the Facility Agent to the other Financier.
- (d) If Financier A is required to disgorge or unwind all or part of the relevant recovery or payment then the other Financiers shall repay to the Facility Agent for the account of Financier A the amount necessary to ensure that all the Financiers share ratably in the amount of the recoveries or payments retained. Paragraphs (b) and (c) above apply only to the retained amount.

20.2 Arrangements with unrelated parties

This clause does not apply to receipts and recoveries by a Financier under arrangements (including credit derivatives and sub-participations) entered into by the Financier in good faith with parties unrelated to the Transaction Parties to cover some or all of its risk.

20.3 Unanticipated default

- (a) The Facility Agent may assume that a party (the **Payer**) due to make a payment for the account of another party (the **Recipient**) makes that payment when due unless the Payer notifies the Facility Agent at least one Business Day before the due date that the Payer will not be making the payment.
- (b) In reliance on that assumption, the Facility Agent may make available to the Recipient on the due date an amount equal to the assumed payment.
- (c) If the Payer does not in fact make the assumed payment, the Recipient shall repay the Facility Agent the amount on demand. The Payer will still remain liable to make the assumed payment, but until the Recipient does repay the amount, the Payer's liability will be to the Facility Agent in the Facility Agent's own right.

- (d) If the Payer is a Transaction Party any interest on the amount of the assumed payment accruing before recovery will belong to the Facility Agent. If the Payer is a Financier that Financier shall pay interest on the amount of the assumed payment at the rate determined by the Facility Agent, in line with its usual practice, for advances of similar duration to financial institutions of the standing of the Financier.

21 Governing law and jurisdiction

- (a) This Agreement is governed by the laws of New South Wales.
- (b) Each Borrower irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of New South Wales.
- (c) Each Borrower irrevocably and unconditionally waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum or those courts not having jurisdiction.
- (d) Each Borrower irrevocably waives any immunity in respect of its obligations under this Agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.
- (e) A Finance Party may take proceedings in connection with the Finance Documents in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

22 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1

Initial Financiers

<u>Name and address</u>	<u>ABN/ACN/ARBN</u>	<u>Commitment</u>
Commonwealth Bank of Australia Level 21 Darling Park Tower 1 201 Sussex Street Sydney NSW 2000 Facsimile:	48 123 123 124	A\$75,000,000
Australia and New Zealand Banking Group Limited Level 14 20 Martin Place Sydney NSW 2000 Facsimile:	11 005 357 522	A\$75,000,000
National Australia Bank Limited Level 18 255 George Street Sydney NSW 2000 Facsimile:	12 004 044 937	A\$75,000,000
Westpac Banking Corporation Level 3 Westpac Place 275 Kent Street Sydney NSW 2000 Facsimile:	33 007 457 141	A\$75,000,000

Schedule 2

Initial conditions precedent

1 Verification Certificate

A certificate in relation to the Initial Borrower given by two officers of the Initial Borrower, substantially in the form of Annexure C.

2 Finance Documents

- (a) An original of this Agreement duly executed by the Initial Borrower.
- (b) A Finance Party Nomination Letter duly executed by the Initial Borrower nominating the Facility Agent a **Financier Representative**, each Initial Financier a **Financier** and this Agreement a **Finance Document** for the purposes of the Common Terms Deed Poll.
- (c) A Senior Debt Nomination Letter (as that term is defined in the Subordination Deed) duly executed by the Initial Borrower nominating each Initial Financier a **Senior Lender**, the Facility Agent a **Senior Lender Representative**, this Agreement a **Senior Debt Document** and each Initial Financier's Commitment as **Senior Commitments** for the purposes of the Subordination Deed.

3 Existing Syndicated Facility Agreement

Evidence that all or part of the first Funding Portion will be applied to refinance the Existing Syndicated Facility Agreement so that on the first Funding Date all amounts outstanding under the Existing Syndicated Facility Agreement will be repaid in full and all commitments under it cancelled.

4 Legal Opinion

An opinion of Allens, Australian legal advisers to the Initial Borrower addressed to the Finance Parties concerning the Finance Documents.

5 Fees

Payment of all fees due and payable under the Finance Documents (including each Finance Party's legal costs and expenses in relation to negotiation and preparation of, and entry into, the Finance Documents).

Executed as an agreement.

INITIAL BORROWER

Signed by FOXTEL Management Pty Limited as Initial Borrower by:

/s/ Richard Freudenstein
Director

Richard Freudenstein
Print Name

/s/ Lynette Ireland
Director/Secretary

Lynette Ireland
Print Name

THE INITIAL FINANCIERS

Signed for Commonwealth Bank of Australia by its attorney in the presence of:

/s/ Angela Li
Witness Signature

Angela Li
Print Name

Signed for Australia and New Zealand Banking Group Limited by its attorney in the presence of:

/s/ Anastasia Kalogiannis
Witness Signature

Anastasia Kalogiannis
Print Name

Signed for National Australia Bank Limited by its attorney in the presence of:

/s/ Richard Heath
Witness Signature

Richard Heath
Print Name Associate Director

/s/ David Sim
Attorney Signature

David Sim
Print Name

/s/ Regan Kerr
Attorney Signature

Regan Kerr
Print Name

/s/ Joanne Hahlos
Attorney Signature

Joanne Hahlos
Print Name Director

Signed for Westpac Banking Corporation

by its attorney in the presence of:

/s/ Michael Carroll

Witness Signature

Michael Carroll

Print Name

/s/ Dean O'Neill

Attorney Signature

Dean O'Neill

Print Name Tier Three Attorney

THE AGENT

**Signed for Commonwealth Bank of
Australia** by its attorney in the presence of:

/s/ Tom Oreskovic

Witness Signature

Tom Oreskovic

Print Name

/s/ Steven Furlong

Attorney Signature

Steven Furlong

Print Name

Annexure A

Borrower Assumption Letter

TO: Commonwealth Bank of Australia (as *Facility Agent*)

From: [New Borrower]

Dated: [*]

Dear Sirs

Re: Syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2013 between FOXTEL Management Pty Limited (as *Initial Borrower*), each party listed in Schedule 1 to that agreement (as *Initial Financiers*) and the Facility Agent.

1. We refer to the Facility Agreement. This is a Borrower Assumption Letter. Terms used in the Facility Agreement have the same meaning in this Borrower Assumption Letter unless given a different meaning in this Borrower Assumption Letter.
2. [New Borrower] agrees to become a party to the Facility Agreement as a New Borrower and to be bound by the terms of the Facility Agreement as a Borrower.
3. [New Borrower] acknowledges having received a copy of and approved the Facility Agreement together with all other documents and information it requires in connection with the Facility Agreement before signing this letter.
4. This letter is governed by New South Wales law.

[*If the New Borrower is signing under a Power of Attorney*] [each attorney executing this letter states that he or she has no notice of revocation or suspension of his or her power of attorney.]

[*Insert execution clause for New Borrower*]

Annexure B

Funding Notice

To: Commonwealth Bank of Australia (*Facility Agent*)

We refer to the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2013 between FOXTEL Management Pty Limited (as *Initial Borrower*), each party listed in Schedule 1 to that agreement (as *Initial Financiers*) and the Facility Agent.

Expressions defined in the Facility Agreement have the same meaning when used in this Funding Notice.

Under clause 5.1 of the Facility Agreement:

- (a) We give you notice that we wish to draw on [*insert Funding Date*] (*Funding Date*).
- (b) The aggregate amount to be drawn is A\$[*].
- (c) Particulars of each Funding Portion are as follows:

Amount	Interest Period
[*]	[*]

- (d) The proceeds of each Funding Portion are to be used in accordance with clause 3 of the Facility Agreement.
- (e) We request that the proceeds of the Funding Portion be remitted to account number [*] at [*].
- (f) Except as disclosed in paragraph (g)] each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this Funding Notice.
- (g) [Details of the exception to paragraph (f) are as follows: [*]]
- (h) We represent and warrant that no [Default]/[Event of Default] is continuing or will result from the provision of the Funding Portions referred to in this Funding Notice.

Date:

Signed for and on behalf of **[insert name of Borrower]** by

Officer

Name (please print)

Annexure C

Verification Certificate

Note: *To be signed by two officers of the relevant company.*

TO: Commonwealth Bank of Australia (as *Facility Agent*)

Syndicated Revolving Facility for FOXTEL Management Pty Limited

We are [two directors]/[a director and the secretary] of [*] (the *Company*).

We refer to the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2013 between FOXTEL Management Pty Limited (as *Initial Borrower*), each party listed in Schedule 1 to that agreement (as *Initial Financiers*) and the Facility Agent.

Definitions in the Facility Agreement apply in this Certificate.

Attached are true, up-to-date and complete copies of the following.

- (a) [A power of attorney under which the Company executed any Finance Document to which it is expressed to be a party relating to the above facility. That power of attorney has not been revoked by the Company and remains in full force and effect.]
- (b) Extracts of minutes of a meeting of the directors of the Company authorising execution of any Finance Document to which it is expressed to be a party relating to the above facility.
- (c) A certificate of incorporation and constituent documents for the Company, if they are not already held by the Facility Agent.
- (d) Specimen signatures of all those authorised to give drawdown and other notices for the Company.

If any of the documents in paragraph (c) are already held by the Facility Agent, we confirm [they are complete and up-to-date the attached amendments are all subsequent amendments to them].

The Company is solvent.

Director

[Director]/[Secretary]

Annexure D

Substitution Certificate

This Agreement is made on [] between the following parties:

1. []
 ABN []
(Retiring Financier)
2. []
 ABN []
(Substitute Financier)
3. **Commonwealth Bank of Australia**
 ABN 48 123 123 124
(Facility Agent)

1 Interpretation

1.1 Incorporated definitions

A word or phrase defined in the Facility Agreement has the same meaning when used in this Agreement.

1.2 Definitions

In this Agreement:

Facility Agreement means the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2013 between FOXTEL Management Pty Limited (as *Initial Borrower*), each party listed in Schedule 1 to that agreement (as *Initial Financiers*) and the Facility Agent.

Substituted Commitment means the Commitment of the Retiring Financier and the participation in the Principal Outstanding drawn under that Commitment in respect of the following Funding Portions:

Date	Interest Period	Amount of Participation
[*]	[*]	[*]

amounting to a principal amount of A\$[*].

Substitution Date means [*].

1.3 Interpretation

- (a) Clause 1 of the Facility Agreement applies to this Agreement as if set out in full in this Agreement.
- (b) A reference in this Agreement to ‘identical’ rights or obligations is a reference to rights or obligations substantially identical in character to those rights or obligations rather than identical as to the person entitled to them or obliged to perform them.

1.4 Capacity

- (a) The Facility Agent enters into this Agreement for itself and as agent for each of the parties to the Facility Agreement (other than the Retiring Financier).

2 Substitution

2.1 Effect of substitution

With effect on and from the Substitution Date:

- (a) no party to the Finance Documents has any further obligation to the Retiring Financier in relation to the Substituted Commitment;
- (b) the Retiring Financier is released from and has no further rights or obligations to a party to the Finance Documents in relation to the Substituted Commitment and any Finance Document to that extent;
- (c) the Facility Agent grants to the Substitute Financier rights which are identical to the rights which the Retiring Financier had in respect of the Substituted Commitment and any Finance Document to that extent; and
- (d) the Substitute Financier assumes obligations towards each of the parties to the Finance Documents which are identical to the obligations which the Retiring Financier was required to perform in respect of the Substituted Commitment before the acknowledgment set out in 2.1(b).

2.2 Substitute Financier a Financier

With effect on and from the Substitution Date:

- (a) the Substitute Financier is taken to be a party to the Finance Documents with a Commitment equal to the Substituted Commitment and the Facility Agreement is amended accordingly; and
- (b) a reference in the Common Terms Deed Poll and Facility Agreement to 'Financier' includes a reference to the Substitute Financier.

2.3 Preservation of accrued rights

- (a) The Retiring Financier and all other parties to the Finance Documents remain entitled to and bound by their respective rights and obligations in respect of the Substituted Commitment and any of their other rights and obligations under the Finance Documents which have accrued up to the Substitution Date.

3 Acknowledgments

3.1 Copies of documents

The Substitute Financier acknowledges that it has received a copy of the Common Terms Deed Poll and the Facility Agreement and all other information which it has requested in connection with those documents.

3.2 Acknowledgment

The Substitute Financier acknowledges and agrees as specified in clause 17.13 of the Facility Agreement, which applies as if references to the Facility Agent included the Retiring Financier and references to any Finance Document included this Agreement.

4 Payments

4.1 Payments by Facility Agent

With effect on and from the Substitution Date, the Facility Agent must make all payments due under the Finance Documents in connection with the Substituted Commitment to the Substitute Financier, without having any further responsibility to the Retiring Financier in respect of the same.

4.2 As between Financiers

The Retiring Financier and the Substitute Financier must make directly between themselves the payments and adjustments which they agree with respect to accrued interest, fees, costs and other rights or other amounts attributable to the Substituted Commitment which accrue before the Substitution Date.

5 Outstanding Liquidity Bills

The Substitute Financier indemnifies the Retiring Financier against any Loss which the Retiring Financier suffers, incurs or is liable for as acceptor, endorser or discounter of any outstanding Liquidity Bills prepared by the Retiring Financier in relation to the Substituted Commitment.

6 Warranty

Each of the Retiring Financier and the Substitute Financier represent and warrant to the other parties that the requirements of clause 16 of the Facility Agreement have been complied with in relation to the Substituted Commitment.

7 Details of Substitute Financier

The Lending Office and its notice details for correspondence of the Substitute Financier is as follows:

Address: [*];

Attention: [*]; and

Facsimile: [*].

8 General

Clause 15 of the Common Terms Deed Poll applies to this Agreement as if it were set out in full in this Agreement.

9 Attorneys

Each of the attorneys executing this Agreement states that the attorney has no notice of revocation of that attorney's power of attorney.

Executed as an agreement

Retiring Financier:

Signed for [] by its attorney in the presence of:

Witness Signature

Print Name

Attorney Signature

Print Name

Substitute Financier:

Signed for [] by its attorney in the presence of:

Witness Signature

Print Name

Attorney Signature

Print Name

Facility Agent:

Signed for **Commonwealth Bank of Australia** by its attorney in the presence of:

Witness Signature

Print Name

Attorney Signature

Print Name

17 June 2014

To:

Commonwealth Bank of Australia
Darling Park, Tower 1
Level 22, 201 Sussex Street
Sydney NSW 2000

Attention: Steven Furlong, Vice President—Agency

Dear Steven

We refer to:

- (a) the A\$300 million Syndicated Revolving Facility Agreement dated 8 October 2013 between, FOXTEL Management Pty Limited as Initial Borrower, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation as Initial Financiers and Commonwealth Bank of Australia as Facility Agent (the **2013 Facility Agreement**); and
- (b) the Syndicated Facility Agreement to be entered into on or about the date of this letter by FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited as Initial Borrowers, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation as Initial Financiers and Commonwealth Bank of Australia as Facility Agent (the **2014 Facility Agreement**).

Terms defined in the 2013 Facility Agreement (including by incorporation) have the same meaning in this letter unless the context otherwise requires or the relevant term is defined in this letter.

Amendments to the 2013 Facility Agreement

In accordance with clause 17.5 (*Instructions to Facility Agent*) of the 2013 Facility Agreement, we would be grateful if you could ask the Financiers to confirm that, subject to payment of the consent fee referred to below, they approve the following amendments to the 2013 Facility Agreement (the **Amendments**):

- (a) in relation to each Funding Portion which is provided or redrawn after the date of this letter with effect from the first day of the next Interest Period for such Funding Portion, clause 7.4 (*Margin*) of the 2013 Facility Agreement be deleted and replaced with the following:

“The Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date. Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

Total Debt to EBITDA	Margin
≤1.5	1.30% p.a.
above 1.5 ≤ 2.0	1.40% p.a.
above 2.0 ≤ 2.25	1.45% p.a.

<u>Total Debt to EBITDA</u>	<u>Margin</u>
above 2.25 ≤ 2.5	1.50% p.a.
above 2.5 ≤ 3.0	1.60% p.a.
above 3.00 ≤ 3.5	1.90% p.a.
above 3.5	2.25% p.a.

”;

- (b) with effect from Financial Close (as defined in the 2014 Facility Agreement) paragraph (a) of clause 13.1 (*Commitment fee*) be deleted and replaced with the following:
- “(a) A commitment fee accrues at the rate of 45% of the applicable Margin that would apply in relation to a Funding Portion outstanding on the date the fee is payable on the daily amount of the Net Commitment (if any) of each Financier from the date of this Agreement to (and including) the last date of the Availability Period.”
- (c) with effect from the date of this letter, the definition of ‘Base Rate’ in clause 1.1 (*Definitions*) of the 2013 Facility Agreement will be deleted and replaced with the following:

“**Base Rate** for a period means the higher of zero and the following rate determined as of 10.30am (Sydney time) on the first day of that period and for a period equivalent (in the opinion of the Facility Agent, without the need for instructions) to the Interest Period:

- (a) the Screen Rate; or
- (b) if no Screen Rate is available for that period and:
 - (i) the Interest Period is no longer than the minimum period for which a Screen Rate is available, the Interpolated Screen Rate for that period; or
 - (ii) it is not possible to calculate an Interpolated Screen Rate for that period,

then the Base Rate will be the rate determined by the Facility Agent to be the arithmetic mean of the buying rates quoted to the Facility Agent by three Reference Banks at or about 10.30am (Sydney time) on the first day of that period provided that, and subject to clause 9, if a Reference Bank does not supply a quotation by the time specified, the applicable Base Rate shall be determined on the basis of the quotations of the remaining Reference Banks. The buying rates must be for bills of exchange accepted by leading Australian banks and which have a term closest to the period.

Rates will be expressed as a yield percent per annum to maturity, and if necessary will be rounded to the nearest fourth decimal place.”;

- (d) with effect from the date of this letter, the following definition will be added to clause 1.1 (*Definitions*) of the 2013 Facility Agreement in the correct alphabetical order:

“**Interpolated Screen Rate** means in relation to the Base Rate, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period.’

(e) with effect from the date of this letter, the words ‘Bank Bill Rate’ in Paragraphs (a) and (b) of the definition of ‘Market Disruption Event’ in clause 1.1 (*Definitions*) of the 2013 Facility Agreement will be deleted and replaced with the words ‘Base Rate’;

(f) with effect from the date of this letter, the words ‘On receipt the Facility Agent shall pay it to the relevant account specified in the Funding Notice’ in each instance where they appear in paragraphs (a) and (b) of clause 4.1 (*Commitment*) of the 2013 Facility Agreement are deleted and replaced with the following:

“Unless otherwise agreed between FOXTEL and the Facility Agent (acting in its own capacity), on receipt the Facility Agent shall pay it to the following account:

Name: Foxtel Management—Main Account

Bank: CBA

BSB: 064000

Account: 10659223

or to such account with a bank in Sydney in the Borrower’s name as the Borrower may notify to the Facility Agent by not less than three Business Days’ notice. Any such notice must be signed by two Officers.”;

(g) with effect from the date of this letter, paragraph (b) of clause 5.6 (*Selection of Interest Periods*) is deleted and replaced with the following:

“(b) Each Interest Period must be 1, 2, 3,4, 5 or 6 months or any other period that the Facility Agent agrees with the Borrower.”;
and

(h) with effect from the date of this letter, paragraph (c) of clause 6.1 (*Cancellation of Commitments available during the Availability Period*) of the 2013 Facility Agreement is deleted and replaced with the following:

“(c) The Commitment of a Financier is cancelled rateably in accordance with the proportion its Undrawn Commitment bears to the Total Undrawn Commitments cancelled.”

Consent Fee

In consideration of the Financiers agreement to the Amendments, the Initial Borrower will pay a consent fee equal to 0.05% of the aggregate of each consenting Financier’s Commitment. The consent fee will be payable on Financial Close (as defined in the 2014 Facility Agreement) to each consenting Financier rateably in accordance with their Commitment.

Miscellaneous

We would be grateful if you could please sign and return the enclosed copy of this letter on behalf of the Financiers to confirm that the Amendments have been approved by the Financiers.

We confirm that other than the Amendments, the terms of the 2013 Facility Agreement remain unchanged and in full force and effect and that nothing in this letter:

(a) affects the validity or enforceability of the Finance Documents;

- (b) prejudices or adversely affects any right, power, authority, discretion or remedy arising under any Finance Document before the date of this letter; or
- (c) discharges, releases or otherwise affects any liability or obligation arising under any Finance Document before the date of this letter.

We confirm that each representation and warranty given under the Common Terms Deed Poll (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this letter.

This letter may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

This letter is governed by the laws of New South Wales and is a Finance Document for the purposes of the 2013 Facility Agreement.

Yours sincerely

/s/ Peter Tonagh

On behalf of FOXTEL Management Pty Limited

/s/ Peter Tonagh

We confirm that the Financiers have approved the Amendments on the terms of this letter

For and on behalf of Commonwealth Bank of Australia as Facility Agent for the Financiers under the 2013 Facility Agreement

- (b) prejudices or adversely affects any right, power, authority, discretion or remedy arising under any Finance Document before the date of this letter; or
- (c) discharges, releases or otherwise affects any liability or obligation arising under any Finance Document before the date of this letter.

We confirm that each representation and warranty given under the Common Terms Deed Poll (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this letter.

This letter may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

This letter is governed by the laws of New South Wales and is a Finance Document for the purposes of the 2013 Facility Agreement.

Yours sincerely

On behalf of FOXTEL Management Pty Limited

We confirm that the Financiers have approved the Amendments on the terms of this letter

/s/ Brett Halls

BRETT HALLS

For and on behalf of Commonwealth Bank of Australia as Facility Agent for the Financiers under the 2013 Facility Agreement

12 June 2015

To:

Commonwealth Bank of Australia
Darling Park, Tower 1
Level 22, 201 Sussex Street
Sydney NSW 2000

Attention: Steven Furlong, Vice President—Agency

Dear Steven

We refer to:

- (a) the A\$300 million Syndicated Revolving Facility Agreement dated 8 October 2013 (as amended and/or restated from time to time) between, FOXTEL Management Pty Limited as Initial Borrower, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation as Initial Financiers and Commonwealth Bank of Australia as Facility Agent (the **2013 Facility Agreement**); and
- (b) the Syndicated Facility Agreement to be entered into on or about the date of this letter by FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited as Initial Borrowers, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation as Initial Financiers and Commonwealth Bank of Australia as Facility Agent (the **2015 Facility Agreement**).

Terms defined in the 2013 Facility Agreement (including by incorporation) have the same meaning in this letter unless the context otherwise requires or the relevant term is defined in this letter.

Amendments to the 2013 Facility Agreement

In accordance with clause 17.5 (*Instructions to Facility Agent*) of the 2013 Facility Agreement, we would be grateful if you could ask the Financiers to confirm that, subject to payment of the consent fee referred to below, they approve the following amendments to the 2013 Facility Agreement (the **Amendments**):

- (a) in relation to each Funding Portion which is provided or redrawn after the date of this letter with effect from the first day of the next Interest Period for such Funding Portion, clause 7.4 (*Margin*) of the 2013 Facility Agreement be deleted and replaced with the following:

“The Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date. Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

<u>Total Debt to EBITDA</u>	<u>Margin</u>
≤1.5	1.10% p.a.
above 1.5 ≤ 2.0	1.20% p.a.

Total Debt to EBITDA	Margin
above 2.0 ≤ 2.25	1.25% p.a.
above 2.25 ≤ 2.5	1.35% p.a.
above 2.5 ≤ 3.0	1.45% p.a.
above 3.00 ≤ 3.5	1.70% p.a.
above 3.5	2.05% p.a.

”; and

- (b) with effect from the date of this letter, the definition of ‘Maturity Date’ in clause 1.1 (*Definitions*) of the 2013 Facility Agreement will be deleted and replaced with the following:

“*Maturity Date* means 7 April 2019.”

Consent Fee

In consideration of the Financiers agreement to the Amendments, the Initial Borrower will pay a consent fee equal to 0.05% of the aggregate of each consenting Financier’s Commitment. The consent fee will be payable on Financial Close (as defined in the 2015 Facility Agreement) to each consenting Financier rateably in accordance with their Commitment.

Miscellaneous

We would be grateful if you could please sign and return the enclosed copy of this letter on behalf of the Financiers to confirm that the Amendments have been approved by the Financiers.

We confirm that other than the Amendments, the terms of the 2013 Facility Agreement remain unchanged and in full force and effect and that nothing in this letter:

- (a) affects the validity or enforceability of the Finance Documents;
- (a) prejudices or adversely affects any right, power, authority, discretion or remedy arising under any Finance Document before the date of this letter; or
- (b) discharges, releases or otherwise affects any liability or obligation arising under any Finance Document before the date of this letter.

We confirm that each representation and warranty given under the Common Terms Deed Poll (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this letter.

This letter may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

This letter is governed by the laws of New South Wales and is a Finance Document for the purposes of the 2013 Facility Agreement

Yours sincerely

LYNETTE IRELAND

/s/ Peter Tonagh

/s/ Lynette Ireland

On behalf of FOXTEL Management Pty Limited

We confirm that the Financiers have approved the Amendments on the terms of this letter

/s/ Steven Furlong

For and on behalf of Commonwealth Bank of Australia as Facility Agent for the Financiers under the 2013 Facility Agreement

FOXTEL Management Pty Limited
FOXTEL Finance Pty Limited
Each Initial Financier named in Schedule 2
Commonwealth Bank of Australia as Facility Agent

Syndicated Revolving Facility Agreement

The Allens contact for this document is Alan Maxton

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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This Agreement is made on 17 June 2014

Parties

- 1 Each person named in Schedule 1 (each an *Initial Borrower*);
- 2 **Each bank or financial institution named in Schedule 2** (each an *Initial Financier*); and
- 3 **Commonwealth Bank of Australia** ABN 48 123 123124 of Level 22, 201 Sussex Street, Darling Park Tower, Sydney, NSW, 2000 (the *Facility Agent*).

Recitals

The Initial Borrowers have requested the Financiers to provide a facility under which cash advances of up to a maximum of A\$400,000,000 may be made available to the Borrowers.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

In this Agreement:

Availability Period means, in relation to a Tranche, the period commencing on the date of this Agreement and ending on the earlier of:

- (a) one month prior to the Maturity Date for that Tranche; or
- (b) the date on which the Commitment for that Tranche is cancelled in full.

Base Rate for a period means the higher of zero and the following rate determined as of 10.30am (Sydney time) on the first day of that period and for a period equivalent (in the opinion of the Facility Agent, without the need for instructions) to the Interest Period of the relevant Tranche:

- (a) the Screen Rate; or
- (b) if no Screen Rate is available for that period and:
 - (i) the Interest Period is no longer than the minimum period for which a Screen Rate is available, the Interpolated Screen Rate for that period; or
 - (ii) it is not possible to calculate an Interpolated Screen Rate for that period,

then the Base Rate will be the rate determined by the Facility Agent to be the arithmetic mean of the buying rates quoted to the Facility Agent by three Reference Banks at or about 10.30am (Sydney time) on the first day of that period provided that, and subject to clause 9, if a Reference Bank does not supply a quotation by the time specified, the applicable Base Rate shall be determined on the basis of the quotations of the remaining Reference Banks. The buying rates must be for bills of exchange accepted by leading Australian banks and which have a term closest to the period.

Rates will be expressed as a yield percent per annum to maturity, and if necessary will be rounded to the nearest fourth decimal place.

Borrower means each Initial Borrower or a New Borrower.

Borrower Assumption Letter means a letter substantially in the form of Annexure A.

Break Costs means, in relation to a Financier, the amount determined by that Financier as being incurred by reason of the liquidation or re-employment of deposits or other funds acquired or contracted for, or allocated by the Financier to fund or maintain its commitments under the Finance Documents or the termination or repricing of any interest rate or currency swap or other hedging arrangement (including an internal arrangement) entered into by the Financier in connection with the liquidation or re-employment of those deposits or other funds.

Code means the US Internal Revenue Code of 1986.

Commitment means, in relation to a Financier.

(a) the Tranche 1 Commitment;

and

(b) the Tranche 2 Commitment,

as applicable.

Common Terms Deed Poll means the common terms deed poll dated 10 April 2012 given by FOXTEL Management Pty Limited, the parties listed in Schedule 1 to that document and others in favour of the Finance Parties (as defined therein).

Existing Commitment Allocation means, in relation to a Financier, that Financier's unused and drawn commitment under Tranche A of the Existing Syndicated Facility Agreement.

Existing Syndicated Facility Agreement means the Syndicated Facility Agreement between the Initial Borrowers and others dated 10 April 2012 (as amended from time to time).

Exposure means, in respect of a Financier, the aggregate Principal Outstanding in respect of that Financier under the Facility at that time.

Facility means the revolving cash advance facility comprising Tranche 1 and Tranche 2 made available to the Borrowers under this Agreement.

FATCA means:

(a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or

(c) any agreement pursuant to the implementation of paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a party that is entitled to receive payments free from any FATCA Deduction.

Finance Document means:

- (a) this Agreement;
- (b) any Swap Agreement to which a Financier is a counterparty;
- (c) the Common Terms Deed Poll;
- (d) any Guarantee Assumption Deed Poll;
- (e) any Borrower Assumption Letter;
- (f) any Substitution Certificate;
- (g) any Subordination Deed;
- (h) any document under which a Transaction Facility is provided; or
- (i) any other document or agreement agreed in writing to be a Finance Document for the purposes of this Agreement by FOXTEL and the Facility Agent,

or any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any of the above

Finance Party means:

- (a) the Facility Agent; or
- (b) any Financier.

Financial Close means the date (on or before 30 June 2014) on which the Facility Agent has issued a notice specifying that all conditions precedent referred to in clause 2.1 have been satisfied or waived.

Financier means:

- (a) any Initial Financier; or
- (b) any Substitute Financier,

unless they have ceased to be a Financier in accordance with this Agreement.

Funding Date means the date on which a Funding Portion is provided or redrawn, or is to be provided or redrawn, to or by a Borrower under this Agreement.

Funding Notice means a notice in the form of Annexure B.

Funding Portion means, in relation to a Tranche, each portion of the Commitments provided under this Agreement in respect of that Tranche which has the same Funding Date and Interest Period.

Funding Rate means, in respect of an Interest Period, the aggregate of:

- (a) the Base Rate for that Interest Period; and
- (b) the Margin.

Interest Payment Date means the last day of each Interest Period.

Interest Period means a period determined under clause 5.6.

Interpolated Screen Rate means in relation to the Base Rate for any Tranche, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period for that Tranche; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Tranche.

Lending Office means, in respect of a Financier, the office of that Financier set out with its name in Schedule 2, or any other office notified by the Financier under this Agreement.

Liquidity Bill means a Bill drawn under clause 12.

Majority Financiers means Financiers whose aggregate Exposure is more than two thirds of the Total Exposure.

Margin means at any time the rate calculated in accordance with clause 7.4.

Market Disruption Event means:

- (a) at or about noon on the first day of the Interest Period, the Screen Rate is not available and none or only one of the Reference Banks provides a rate to the Facility Agent to determine the Base Rate for the relevant Interest Period (in which case each Financier participating in the relevant Funding Portion will be an **Affected Financier**); or
- (b) before 5.00 pm (Sydney time) on the Business Day after the first day of the relevant Interest Period, the Facility Agent receives notifications in good faith from Financiers whose participation in the relevant drawdown is, or will be, equal to or greater than 33% of the principal amount under the drawdown, that as a result of market circumstances not limited to it, the cost of obtaining matching deposits in the Australian bank bill market to those Financiers would be in excess of the Base Rate or it is unable to obtain matching deposits in the Australian bank bill market (in which case an **Affected Financier** will be a Financier which gives such a notice).

Maturity Date means, in relation to:

- (a) Tranche 1, 30 November 2018; and
- (b) Tranche 2, 31 July 2019.

Net Commitment means, in relation to a Financier and a Tranche, that Financier's Undrawn Commitment in relation to that Tranche minus 50% of that Financier's Existing Commitment Allocation.

New Borrower means any Guarantor incorporated in Australia which accedes to this Agreement as a Borrower in accordance with clause 16.7.

Principal Outstanding means, in relation to a Tranche or the Facility at any time, the aggregate principal amount of all outstanding Funding Portions under that Tranche or the Facility (as the case may be) at that time.

Privacy Statement means each privacy statement of a Financier provided to FOXTEL on or prior to the date of this Agreement.

Pro Rata Share of a Financier, in respect of a Funding Portion, means the proportion of that Financier's participation in that Funding Portion to the amount of that Funding Portion. That proportion will be determined under clause 4.2.

Reference Bank means:

- (a) Commonwealth Bank of Australia;
- (b) Westpac Banking Corporation;
- (c) Australia and New Zealand Banking Group Limited; or

(d) National Australia Bank Limited,
or such other person as the Facility Agent and FOXTEL may agree.

Retiring Financier means a Financier who has assigned or transferred any of its rights or obligations under clause 16 and who is a party to a Substitution Certificate.

Screen Rate means the average bid rate displayed at or about 10.15am (Sydney time) on the first day of the relevant period on the Reuters screen BBSY page for a term closest to the relevant period.

If the agreed page is replaced, the service ceases to be available, or the basis on which that rate is calculated or displayed is changed and the Majority Financiers instruct the Facility Agent (after consultation by the Facility Agent with FOXTEL) that in their opinion it ceases to reflect the Financiers' cost of funding to the same extent as at the date of this Agreement, the Facility Agent on the instructions of the Majority Financiers may specify another page or service displaying the appropriate rate after consultation by the Facility Agent with FOXTEL.

Substitute Financier means the person substituted by a Financier under clause 16.4.

Substitution Certificate means a certificate substantially in the form of Annexure D.

Total Commitment means the aggregate of the Tranche 1 Commitment and the Tranche 2 Commitment.

Total Exposure means, at any time, the aggregate Exposure of all Financiers at that time.

Total Undrawn Commitments means in relation to a Tranche at any time, the aggregate of the Undrawn Commitments of all Financiers under that Tranche at that time.

Tranche means:

(a) Tranche 1; or

(b) Tranche 2,

as applicable.

Tranche 1 means the A\$200,000,000 revolving cash advance facility provided to the Borrowers by the Tranche 1 Financiers in accordance with this Agreement.

Tranche 1 Commitment in relation to a Financier means the amount specified opposite the relevant Financier's name in Schedule 2 in relation to Tranche 1, as reduced or cancelled under this Agreement.

Tranche 1 Financier means a Financier who has committed to provide funding utilising the Tranche 1 Commitments.

Tranche 1 Undrawn Commitment means, in respect of a Financier at any time, the Tranche 1 Commitment of that Financier at that time less the Principal Outstanding provided by that Financier under Tranche 1 at that time.

Tranche 2 means the A\$200,000,000 revolving cash advance facility provided to the Borrowers by the Tranche 2 Financiers in accordance with this Agreement.

Tranche 2 Commitment in relation to a Financier means the amount specified opposite the relevant Financier's name in Schedule 2 in relation to Tranche 2, as reduced or cancelled under this Agreement.

Tranche 2 Financier means a Financier who has committed to provide funding utilising the Tranche 2 Commitments

Tranche 2 Undrawn Commitment means, in respect of a Financier at any time, the Tranche 2 Commitment of that Financier at that time less the Principal Outstanding provided by that Financier under Tranche 2 at that time.

Transaction Facility means any facility provided by a Finance Party to any one or more of the Transaction Parties.

Undrawn Commitment means, in relation to a Financier.

- (a) the Tranche 1 Undrawn Commitment; and
 - (b) the Tranche 2 Undrawn Commitment,
- as applicable.

US Tax Obligor means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

1.2 Incorporated definitions

Unless expressly defined in this Agreement, capitalised terms defined in the Common Terms Deed Poll have the same meaning in this Agreement.

1.3 Common Terms Deed Poll

- (a) This Agreement and the rights and obligations of the parties to it are subject to the terms and conditions of the Common Terms Deed Poll which are deemed to be incorporated in full into this Agreement as if expressly set out in this Agreement (with the necessary changes).
- (b) Each Finance Document is a **Finance Document** for the purposes of the Common Terms Deed Poll.

2 Conditions precedent

2.1 Initial conditions precedent

The right of a Borrower to give the first Funding Notice and the obligations of each Financier under this Agreement are subject to the condition precedent that the Facility Agent receives all of the items described in Schedule 3 on or before 30 June 2014 in form and substance satisfactory to the Facility Agent (acting on the instructions of all Financiers). The Facility Agent shall notify the Borrowers and the Financiers promptly upon being so satisfied.

2.2 Conditions precedent to all Funding Portions

The right of a Borrower to give a Funding Notice and the obligations of each Financier to make available financial accommodation under this Agreement are subject to the further conditions precedent that as at the date of the relevant Funding Notice and relevant Funding Date:

- (a) **representations and warranties:** each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect as though they had been made in respect of the facts and circumstances then subsisting; and
- (b) **no Default:** no Event of Default or, except in relation to a rollover of an existing drawing, Potential Event of Default, is continuing or will result from the Funding Portion being provided.

3 Purpose

Each Borrower shall use the net proceeds of all accommodation provided under the Facility to:

- (a) refinance Tranche A of the Existing Syndicated Facility Agreement; and
- (b) fund the general working capital and corporate requirements of the FOXTEL Group.

4 Commitments

4.1 Commitment

- (a) Subject to this Agreement, whenever a Borrower requests a Funding Portion under Tranche 1 in a Funding Notice, each Tranche 1 Financier shall provide its Pro Rata Share of that Funding Portion to the Facility Agent in Same Day Funds in Dollars by 12 noon on the relevant Funding Date for the account of that Borrower, except to the extent the Funding Portion continues a previous Funding Portion of that Tranche. Unless otherwise agreed between FOXTEL and the Facility Agent (acting in its own capacity), on receipt the Facility Agent shall pay it to the following account:

Name: Foxtel Management - Main Account

Bank: CBA

BSB: 064000

Account: 10659223

or to such account with a bank in Sydney in the Borrower's name as the Borrower may notify to the Facility Agent by not less than three Business Days' notice. Any such notice must be signed by two Officers.

- (b) Subject to this Agreement, whenever a Borrower requests a Funding Portion under Tranche 2 in a Funding Notice, each Tranche 2 Financier shall provide its Pro Rata Share of that Funding Portion to the Facility Agent in Same Day Funds in Dollars by 12 noon on the relevant Funding Date for the account of that Borrower, except to the extent the Funding Portion continues a previous Funding Portion of that Tranche. Unless otherwise agreed between FOXTEL and the Facility Agent (acting in its own capacity), on receipt the Facility Agent shall pay it to the following account:

Name: Foxtel Management - Main Account

Bank: CBA

BSB: 064000

Account: 10659223

or to such account with a bank in Sydney in the Borrower's name as the Borrower may notify to the Facility Agent by not less than three Business Days' notice. Any such notice must be signed by two Officers.

- (c) A Financier is not obliged to make available its Pro Rata Share in a Funding Portion under a Tranche if as a result its participation in all outstanding Funding Portions under that Tranche would exceed its Commitment under that Tranche.

4.2 Allocation among Financiers

Each Financier shall participate in each Funding Portion drawn under a Tranche ratably according to its Commitment under that Tranche.

4.3 Obligations several

The obligations and rights of each Financier under this Agreement are several and:

- (a) failure of a Financier to carry out its obligations shall not relieve any other Financier of its obligations;
- (b) no Financier shall be responsible for the obligations of any other Financier or the Facility Agent; and
- (c) subject to the provisions of the Finance Documents each Financier may separately enforce its rights under any Finance Document.

5 Funding and rate setting procedures

5.1 Delivery of a Funding Notice

- (a) If a Borrower requires the provision of a Funding Portion, it must deliver a Funding Notice to the Facility Agent.
- (b) The Facility Agent must notify each Financier of:
 - (i) the contents of each Funding Notice; and
 - (ii) the amount of that Financier's Pro Rata Share of the Funding Portion requested,as soon as reasonably practicable and in any event within 1 Business Day after the Facility Agent receives a Funding Notice under clause 5.1(a).

5.2 Requirements for a Funding Notice

A Funding Notice to be effective must be:

- (a) in writing in the form of, and specifying the matters required in, Annexure B; and
- (b) received by the Facility Agent before 11.00 am on a Business Day at least 2 Business Days before the proposed Funding Date (or any shorter period that the Facility Agent agrees in writing).

5.3 Irrevocability of Funding Notice

A Borrower is irrevocably committed to draw Funding Portions from the Financiers in accordance with each Funding Notice issued by it.

5.4 Number of Funding Portions

The Borrowers shall ensure that there are no more than 12 Funding Portions outstanding at any time.

5.5 Amount of Funding Portions

The Borrowers shall ensure that each Funding Portion is:

- (a) a minimum of A\$10,000,000 and an integral multiple of A\$5,000,000; or
- (b) equal to the Total Undrawn Commitments under the relevant Tranche.

5.6 Selection of Interest Periods

- (a) Each Borrower must select the Interest Period which is to apply to a Funding Portion requested by it in the Funding Notice delivered for that Funding Portion.
- (b) Each Interest Period must be of 1, 2, 3, 4, 5 or 6 months or any other period that the Facility Agent agrees with the relevant Borrower.

- (c) If an Interest Period ends on a day which is not a Business Day, it is regarded as ending on the next Business Day in the same calendar month or, if none, the preceding Business Day.
- (d) An Interest Period for a Funding Portion commences either on the first Funding Date for that Funding Portion or on the last day of the immediately preceding Interest Period for that Funding Portion.
- (e) No Interest Period may end after the Maturity Date of a Tranche.
- (f) If a Borrower:
 - (i) fails to select an Interest Period for a Funding Portion under clause 5.6(a); or
 - (ii) selects an Interest Period in a manner which does not comply with this clause 5.6,then the Facility Agent may vary any Funding Notice to ensure compliance.
- (g) If a Borrower fails to give a Funding Notice in accordance with this clause 5 in respect of a Funding Portion which is to be continued under the relevant Tranche by the provision of a new Funding Portion on the last day of its Interest Period, it will be taken to have given a Funding Notice electing to redraw that Funding Portion for the same Interest Period as the previous Interest Period.

5.7 Consolidation of Funding Portions

If two or more Funding Portions have Interest Periods which are of the same duration and in respect of the same Tranche, then those Funding Portions will be consolidated into, and treated as, a single Funding Portion.

5.8 Determination of Funding Rate

- (a) The Facility Agent must notify each Financier and each Borrower of the Funding Rate for an Interest Period promptly, and in any event within 2 Business Days, after it has made its determination of the applicable Base Rate.
- (b) In the absence of manifest error, each determination of the Base Rate by the Facility Agent is conclusive evidence of that rate against the Borrowers.

6 Cancellation of Commitment and Prepayments

6.1 Cancellation of Commitments during the Availability Period

- (a) A Borrower may cancel all or part of the Total Undrawn Commitments in relation to a Tranche by giving the Facility Agent at least 3 Business Days notice (which notice must specify the Tranche to which it relates).
- (b) A partial cancellation of the Total Undrawn Commitments in relation to a Tranche may only be made in a minimum amount of A\$10,000,000 and in an integral multiple of A\$1,000,000.
- (c) The Commitment of a Financier is cancelled rateably in accordance with the proportion its Undrawn Commitment under the relevant Tranche bears to the Total Undrawn Commitments cancelled.

6.2 Cancellation at end of Availability Period

At 5.00 pm (Sydney time) on the last day of the Availability Period for a Tranche, the Undrawn Commitment of the Financiers in respect of that Tranche will be cancelled.

6.3 Voluntary Prepayment

- (a) A Borrower may prepay all or part of the Principal Outstanding by giving the Facility Agent at least 3 Business Days notice. That notice is irrevocable. The Borrower shall prepay in accordance with it.
- (b) A prepayment of part only of the Principal Outstanding must be for a minimum of A\$5,000,000 and in an integral multiple of A\$1,000,000.
- (c) Any amount prepaid under this clause may be redrawn.

6.4 General provisions regarding prepayment and cancellation

- (a) A Borrower may make a prepayment under clause 6.3 only on a Business Day.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except that the relevant Borrower will be liable for any Break Costs arising as a consequence of the prepayment of all or any part of a Funding Portion other than on the last day of its Interest Period.
- (c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (d) Prepayment of an amount under this clause will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding under the Tranche being prepaid.

7 Interest and Margin**7.1 Interest rate**

Interest accrues from day to day on the outstanding principal amount of each Funding Portion at the rate per annum determined by the Facility Agent to be the Funding Rate for the relevant Interest Period.

7.2 Basis of Calculation of Interest

Interest will be calculated on the basis of a 365 day year and for the actual number of days elapsed from and including the first day of each Interest Period to (but excluding) the last day of the Interest Period or, if earlier, the date of prepayment or repayment of the Funding Portion in accordance with this Agreement.

7.3 Payment of Interest

Each Borrower shall pay that accrued interest on any Funding Portion made available to it in arrears on each Interest Payment Date.

7.4 Margin

The Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date. Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

<u>Total Debt to EBITDA</u>	<u>Tranche 1</u>	<u>Tranche 2</u>
≤1.5	1.30% p.a.	1.40% p.a.
above 1.5 but ≤ 2.0	1.40% p.a.	1.45% p.a.
above 2.0 but ≤ 2.25	1.45% p.a.	1.55% p.a.
above 2.25 but ≤ 2.5	1.50% p.a.	1.60% p.a.
above 2.5 but ≤ 3.0	1.60% p.a.	1.70% p.a.
above 3.0 but ≤ 3.5	1.90% p.a.	2.00% p.a.
above 3.5	2.25% p.a.	2.35% p.a.

8 Repayment

- (a) Each Borrower shall repay each Funding Portion drawn by it on the last day of its Interest Period except to the extent it has been continued under that Tranche by the provision of a new Funding Portion in respect of that Tranche on that day.
- (b) Amounts repaid under paragraph (a) are available for redrawing in accordance with this Agreement.
- (c) Repayment of a Funding Portion of a Tranche will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding of the Funding Portion repaid.
- (d) All Funding Portions under a Tranche must be repaid in full on the Maturity Date for that Tranche.

9 Market Disruption

9.1 Market disruption

- (a) If the Facility Agent determines that a Market Disruption Event occurs in relation to a Funding Portion for any Interest Period, then it shall promptly notify FOXTEL and the Financiers, and the rate of interest on each Affected Financier's participations in that Funding Portion for that Interest Period shall be the rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Facility Agent by that Affected Financier as soon as practicable and in any event no later than the Business Day before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Affected Financier of funding its participation in that Funding Portion from whatever source or sources it may reasonably select.
- (b) Each Affected Financier shall determine the rate notified by it under sub-paragraph (a)(ii) above in good faith. The rate so notified and any notification under paragraph (b) of the definition of Market Disruption Event, will be conclusive and binding on the parties in the absence of manifest error.

9.2 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Facility Agent or FOXTEL so requires, the Facility Agent and FOXTEL shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall only apply with the prior consent of all the Financiers and FOXTEL, and then shall be binding on all parties to this Agreement.
- (c) The Facility Agent shall promptly inform FOXTEL and each Financier of any alternative basis agreed under this clause 9.2.

9.3 Agent's role and confidentiality

- (a) The Facility Agent shall promptly notify FOXTEL:
 - (i) on request any rate, or other information notified or specified by a Financier under this clause 9; and
 - (ii) if there is a Market Disruption Event, the identity of any Financier or Financiers giving a notification under paragraph (b) of the definition of Market Disruption Event.
- (b) Each of the Facility Agent and FOXTEL shall keep confidential and not disclose to any other Financier or any other person except the Borrowers, any information relating to a Financier described in paragraph (a) above. The Facility Agent shall ensure that its officers and employees involved in performing its functions as Facility Agent keep that information confidential and do not disclose it or allow it to be available to any other person or office within the Facility Agent.
- (c) However, the Facility Agent, FOXTEL or its officers or employees may disclose such information:
 - (i) to the extent required by any applicable law or regulation; or
 - (ii) to the extent it reasonably deems necessary in connection with any actual or contemplated proceedings or a claim with respect to this clause 9.

10 Anti Money Laundering

- (a) Each Borrower agrees that a Financier may delay, block or refuse to process any transaction without incurring any liability if that Financier suspects that:
 - (i) the transaction may breach any laws or regulations in Australia or any other country binding on that Financier;
 - (ii) the transaction involves any person (natural, corporate or governmental) in a manner that would breach economic and trade sanctions imposed by Australia, the United States, the European Union or any country binding on that Financier; or
 - (iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country and the transaction would breach or cause that Financier to breach any laws or regulations binding on that Financier.

- (b) Each Borrower must provide all information to each Financier which that Financier reasonably requires in order to manage its anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other country. Each Borrower agrees that a Financier may disclose any information concerning a Borrower or any Transaction Party to any law enforcement, regulatory agency or court where and to the extent required by any such law or regulation or authority in Australia or elsewhere.
- (c) Each Borrower declares and undertakes to each Financier that to the best of its knowledge, information and belief the processing of any transaction by the Financier in accordance with that Borrower's instructions will not breach any laws or regulations in Australia or any other country relevant to the transaction.

11 FATCA

- (a) No additional amount is payable to a Financier under clause 3 (**Payments**), clause 9.1 (**Increased costs**) or clause 12.1 (**Tax**) of the Common Terms Deed Poll, if the obligation to do so is attributable to a FATCA Deduction required to be made by a Transaction Party in respect of the Facility.
- (b) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction. Despite the terms of the Common Terms Deed Poll, if a Transaction Party is required to make a FATCA Deduction in respect of the Facility, the Transaction Party shall not be required to pay any additional amount in respect of that FATCA Deduction under clause 3 (**Payments**), clause 9.1 (**Increased costs**) or clause 12.1 (**Tax**) of the Common Terms Deed Poll.
- (c) Each party shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to whom it is making the payment and, in addition, shall notify FOXTEL, the Facility Agent and the Financiers.
- (d) Subject to paragraph (f) below, each party shall, within ten Business Days of a reasonable request by another party:
 - (i) confirm to that other party whether or not it is a FATCA Exempt Party; and
 - (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable "passthru payment percentage" or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.
- (e) If a party confirms to another party pursuant to paragraph (d)(i) that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.
- (f) Paragraph (d) above shall not oblige any Financier or the Facility Agent to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.

- (g) If a party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (d) above (including where paragraph (f) above applies), then:
- (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
 - (ii) if that party failed to confirm its applicable “passthru payment percentage” then such party shall be treated for the purposes of the Finance Documents (and payments made under them) as if its applicable “passthru payment percentage” is 100%,
- until (in each case) such time as the party in question provides the requested confirmation, forms, documentation or other information.
- (h) If a Borrower is a US Tax Obligor, or where the Facility Agent reasonably believes that its obligations under FATCA require it, each Financier shall, within ten Business Days of:
- (i) where a Borrower is a US Tax Obligor and the relevant Financier is an Initial Financier, the date of this Agreement;
 - (ii) where a Borrower is a US Tax Obligor and the relevant Financier is not an Initial Lender, the date of the relevant assignment or transfer;
 - (iii) the date a US Tax Obligor becomes a new Borrower under this Agreement; or
 - (iv) where the Borrower is not a US Tax Obligor, the date of a request from the Facility Agent supply to the Facility Agent:
- (v) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); or
 - (vi) any withholding statement and other documentation, authorisations and waivers as the Facility Agent may require to certify or establish the status of such Financier under FATCA.

The Facility Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Financier pursuant to this paragraph (h) to FOXTEL and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (h).

- (i) Each Financier agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Facility Agent pursuant to paragraph (h) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Facility Agent in writing of its legal inability to do so. The Facility Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to FOXTEL. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (i).

12 Liquidity Bills

- (a) Each Borrower irrevocably and for value authorises each Financier, at its option, to prepare Liquidity Bills in respect of a Funding Portion so that:
 - (i) their total face value amount does not exceed the outstanding principal amount of the Financier's share of the Funding Portion (as notified by the Facility Agent under clause 5.1) and total interest payable to the Financier in respect of the Funding Portion; and
 - (ii) their maturity date is not later than the last day of the Interest Period for that Funding Portion, and to sign them as drawer or endorser in the name of and on behalf of a Borrower.
- (b) A Financier may negotiate or deal with any Liquidity Bill prepared by it as it sees fit and for its own benefit.
- (c) A Financier must pay any Tax on or in respect of the Liquidity Bills and any dealing with the Liquidity Bills in respect of that Financier.
- (d) Each Financier indemnifies each Borrower against any Loss which that Borrower suffers, incurs or is liable for in respect of that Borrower being a party to a Liquidity Bill in respect of that Financier.
- (e) Nothing in clause 12(d) affects a Borrower's obligations under this Agreement (including its obligations in relation to the payment of the Secured Moneys) which are absolute and unconditional obligations and not affected by any actual or contingent liability of any Financier to any Borrower under clause 12(d).
- (f) If a Borrower discharges any Liquidity Bill by payment, the amount of that payment is regarded as applied on the date of payment against the money owing by that Borrower to the Financier who prepared that Liquidity Bill.

13 Fees

13.1 Commitment fee

- (a) A commitment fee in respect of each Tranche accrues at the rate of 45% of the applicable Margin that would apply in relation to a Funding Portion outstanding under that Tranche on the date the fee is payable on the daily amount of the Net Commitment (if any) of each Financier from the date of this Agreement to (and including) the last date of the applicable Availability Period.
- (b) FOXTEL shall pay (or procure payment of) the accrued commitment fee for the period from the date of this Agreement up to (and including) Financial Close on the earlier of:
 - (i) Financial Close; and
 - (ii) the date on which any Commitment is terminated.
- (c) FOXTEL shall pay (or procure payment of) the accrued commitment fee for the period after Financial Close on the last Business Day of each calendar quarter and at the end of the relevant Availability Period.

13.2 Establishment fee

FOXTEL shall pay (or procure payment) to the Facility Agent for the account of the Initial Financiers the establishment fees as agreed between FOXTEL and the Initial Financiers.

13.3 Agent's fees

FOXTEL shall pay (or procure payment to) the Facility Agent its fees as agreed between FOXTEL and the Facility Agent.

14 Interest on Overdue Amounts

14.1 Accrual

Except where the relevant Finance Document provides otherwise, interest accrues on each unpaid amount which is due and payable by a Borrower under or in respect of any Finance Document (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at the rate determined by the Facility Agent to be the sum of 2% pa plus the higher of:
 - (i) the rate (if any) applicable to the unpaid amount immediately before the due date; and
 - (ii) the Funding Rate, based on an Interest Period of 30 days and if the amount does not relate to a Tranche, the highest Margin.

14.2 Payment

Each Borrower shall pay interest accrued under this clause on demand by the Facility Agent and on the last Business Day of each calendar quarter. That interest is payable in the currency of the unpaid amount on which it accrues.

15 Break Costs

A Borrower must, within 3 Business Days of demand by the Facility Agent, pay (without double counting in respect of amounts paid under clause 11.1(b) of the Common Terms Deed Poll) to the Facility Agent for the account of each Financier its Break Costs attributable to all or any part of a Funding Portion being repaid or prepaid by that Borrower on a day other than the last day of the Interest Period for that Funding Portion.

16 Assignments

16.1 Assignment by Borrowers

A Borrower may only assign or transfer any of its rights or obligations under this Agreement with the prior written consent of the Facility Agent acting on the instructions of all Financiers.

16.2 Assignment by Financiers

A Financier may assign or transfer all or any of its rights or obligations under the Finance Documents at any time if:

- (a) any necessary prior Authorisation is obtained;
- (b) except if an Event of Default is continuing, in the case of any Financier, its remaining participation (if any) and the participation of the transferee or assignee in the Total Commitments is not less than A\$30,000,000;
- (c) the transferee or assignee is:
 - (i) a Related Body Corporate of the Financier or another Financier (in which case clause 16.2(b) shall not apply), and FOXTEL has been given prior written notice of the transfer or assignment;
 - (ii) a bank or financial institution if:

- (A) where the transfer complies with clause 16.2(b), FOXTEL has been given prior written notice of the transfer or assignment; or
- (B) where the transfer does not comply with clause 16.2(b), FOXTEL has given prior written consent, not to be unreasonably withheld, to the transfer or assignment; or
- (iii) any person if an Event of Default is continuing; and
- (d) in the case of a transfer of obligations, the transfer is effected by a substitution under clause 16.4.

16.3 Securitisation

A Financier may, without the consent of any Transaction Party but with prior written notice to FOXTEL, assign, transfer, sub-participate or otherwise deal with all or any part of its rights and benefits under the Finance Documents to a securitisation vehicle so long as the Financier remains the lender of record.

16.4 Substitution certificates

- (a) If a Financier wishes to substitute a new bank or financial institution for all or part of its participation under this Agreement, it and the substitute shall execute and deliver to the Facility Agent 4 counterparts of a certificate substantially in the form of Annexure D together with a registration fee of \$3,500 plus GST (where the substitute is an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth)) or such other amount advised by the Facility Agent from time to time (where the substitute is not an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth))).
- (b) On receipt of the certificate and registration fee, if the Facility Agent is satisfied that the substitution complies with clause 16.2 and the Facility Agent has completed all “know your customer” checks to its satisfaction in relation to the substitution, it shall promptly:
 - (i) notify FOXTEL;
 - (ii) countersign the counterparts on behalf of all other parties to this Agreement;
 - (iii) enter the substitution in a register kept by it (which will be conclusive); and
 - (iv) retain one counterpart and deliver the others to the Retiring Financier, the Substitute Financier and FOXTEL.
- (c) When the certificate is countersigned by the Facility Agent the Retiring Financier will be relieved of its obligations, and the Substitute Financier will be bound by the Finance Documents, as stated in the certificate.
- (d) Each other party to this Agreement irrevocably authorises the Facility Agent to sign each certificate on its behalf.

16.5 Change of Lending Office

A Financier may change its Lending Office if it first notifies and consults with FOXTEL.

16.6 No increased costs

Despite anything to the contrary in this Agreement, if a Financier assigns its rights under this Agreement or changes its Lending Office, a Borrower will not be required to pay any net increase in the total amount of costs, Taxes, fees or charges which is a direct result of the assignment or change and of which that Financier or its assignee was aware or ought reasonably to have been aware on the date of the assignment or change. For this purpose only, a substitution under clause 16.4 will be regarded as an assignment.

16.7 New Borrower

Any Guarantor incorporated in Australia may become a Borrower if the Facility Agent has received the following in form and substance satisfactory to it:

- (a) **(verification certificate)** a certificate in relation to that Guarantor given by two officers of that Guarantor substantially in the form of Annexure C;
- (b) **(completed documents)** a Borrower Assumption Letter duly executed by that Guarantor;
- (c) **(know your customer)** evidence of receipt of all “know your customer” documentation which is reasonably required by the Facility Agent to permit each Financier to carry out all necessary “know your customer” or other similar checks under all applicable anti-money laundering laws and regulations; and
- (d) **(legal opinion)** an opinion of legal advisers to FOXTEL.

17 Relations between Facility Agent and Financiers**17.1 Appointment of Facility Agent**

Each Financier appoints the Facility Agent to act as its agent under the Finance Documents and authorises the Facility Agent to do the following on its behalf:

- (a) amend or waive compliance with any provision of the Finance Documents in accordance with the Finance Documents (including clause 17.5);
- (b) all things which the Finance Documents expressly require the Facility Agent to do, or contemplate are to be done by the Facility Agent, on behalf of the Financiers; and
- (c) all things which are incidental or ancillary to the Powers of the Facility Agent described in clauses 17.1(a) or 17.1(b).

17.2 Facility Agent’s capacity

The Facility Agent:

- (a) in its capacity as a Financier, has the same obligations and Powers under each Finance Document as any other Financier as though it were not acting as the Facility Agent; and
- (b) may engage in any kind of banking or other business with any Transaction Party without having to notify or account to the Financiers.

17.3 Facility Agent’s obligations

- (a) The Facility Agent has only those duties and obligations which are expressly specified in the Finance Documents.
- (b) The Facility Agent is not required to:
 - (i) keep itself informed as to the affairs of any Transaction Party or its compliance with any Finance Document; or
 - (ii) review or check the accuracy or completeness of any document or information it forwards to any Financier or other person.

17.4 Facility Agent’s powers

- (a) Except as specifically set out in the Finance Documents (including clause 17.5), the Facility Agent may exercise its Powers under the Finance Documents:

- (i) as it thinks fit in the best interests of the Financiers; and
 - (ii) without consulting with or seeking the instructions of the Financiers.
- (b) The exercise by the Facility Agent of any Power in accordance with this clause 17 binds all the Financiers.

17.5 Instructions to Facility Agent

The Facility Agent:

- (a) must exercise its Powers in accordance with any instructions given to it by the Majority Financiers or, if specifically required to do so under a Finance Document, all Financiers;
- (b) must not:
 - (i) amend any provision of a Finance Document which has the effect of:
 - (A) increasing the obligations of any Financier; or
 - (B) changing the terms of payment of any amounts payable under the Finance Documents to any Financier; or
 - (C) changing the manner in which those payments are to be applied; or
 - (D) changing the definition of Majority Financiers; or
 - (E) changing this clause 17.5,in each case without the consent of all of the Financiers;
 - (ii) amend any other provision of any Finance Document without the consent of the Majority Financiers unless the Facility Agent is satisfied that the amendment is made to correct a manifest error or an error of a formal or technical nature only; or
 - (iii) otherwise exercise any Power which the Finance Documents specify are to be exercised with the consent or in accordance with the instructions of all Financiers or the Majority Financiers or some other number of Financiers, or amend any such requirement, except with that consent or in accordance with those instructions; and
- (c) may refrain from acting, whether in accordance with the instructions of the Financiers, the Majority Financiers or otherwise, until it has received security for any amount it reasonably believes may become payable to it by the Financiers under clause 17.12.

17.6 Assumptions as to authority

Each Transaction Party may assume, without inquiry, that any action of the Facility Agent under the Finance Documents is in accordance with any required authorisations, consents or instructions from the Financiers or the Majority Financiers (as the case may be).

17.7 Facility Agent's liability

Neither the Facility Agent nor any Related Body Corporate of the Facility Agent nor any of their respective directors, officers, employees, agents or successors is responsible to the Financiers or a Transaction Party for:

- (a) any recitals, statements, representations or warranties contained in any Finance Document, or in any certificate or other document referred to or provided for in, or received by any of them under, any Finance Document;

- (b) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Finance Document (other than as against the Facility Agent) or any other certificate or document referred to or provided for in, or received by any of them under, any Finance Document;
- (c) any failure by a Transaction Party or any Financier to perform its obligations under any Finance Document; or
- (d) any action taken or omitted to be taken by it or them under any Finance Document or in connection with any Finance Document except in the case of its or their own fraud or wilful misconduct or gross negligence.

17.8 Delegation

The Facility Agent may employ agents and attorneys but will continue to be liable for the acts or omissions of such agents and attorneys.

17.9 Distribution by Facility Agent

Unless any Finance Document expressly provides otherwise, the Facility Agent shall promptly distribute amounts received under any Finance Document firstly to itself for all amounts due to it in its capacity as Facility Agent, then for the account of the Financiers rateably among them according to their participations in the relevant Tranches. To make any distribution the Facility Agent may buy and sell currencies in accordance with its normal procedures.

17.10 Facility Agent entitled to rely

The Facility Agent may rely on:

- (a) any certificate, communication, notice or other document (including any facsimile transmission or telegram) it believes to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons; and
- (b) advice and statements of solicitors, independent accountants and other experts selected by the Facility Agent with reasonable care.

17.11 Provision of information

- (a) The Facility Agent must forward to each Financier:
 - (i) notice of the occurrence of any Default promptly after the Facility Agent becomes actually aware of it;
 - (ii) a copy of each report, notice or other document which is intended for redistribution promptly after the Facility Agent receives it from a Transaction Party under any Finance Document; and
 - (iii) a copy of each notice or other document that the Facility Agent considers material, promptly after the Facility Agent delivers it to a Transaction Party under any Finance Document.
- (b) The Facility Agent is not to be regarded as being actually aware of the occurrence of a Default unless the Facility Agent:
 - (i) is actually aware that any payment due by a Transaction Party under the Finance Documents has not been made; or
 - (ii) has received notice from a Financier or a Transaction Party stating that a Default has occurred describing the same and stating that the notice is a '*Default Notice*'.

- (c) Without limiting clause 1.2(r)(ii) of the Common Terms Deed Poll, if the Facility Agent receives a Default Notice, the Facility Agent may treat any such Default as continuing until it has received a further Default Notice from the party giving the original notice stating that the Default is no longer continuing and the Facility Agent is entitled to rely on such second notice for all purposes under the Finance Documents.
- (d) The Facility Agent is not to be regarded as having received any report, notice or other document or information unless it has been given to it in accordance with clause 15.1 of the Common Terms Deed Poll.
- (e) Except as specified in clause 17.11(a) and as otherwise expressly required by the Finance Documents, the Facility Agent has no duty or responsibility to provide any Financier with any information concerning the affairs of any Transaction Party or other person which may come into the Facility Agent's possession.
- (f) Nothing in any Finance Document obliges the Facility Agent to disclose any information relating to any Transaction Party or other person if the disclosure would constitute a breach of any law, duty of secrecy or duty of confidentiality.

17.12 Indemnity by Financiers

The Financiers severally indemnify the Facility Agent (to the extent not reimbursed by any Transaction Party) in their Pro Rata Shares against any Loss which the Facility Agent pays, suffers, incurs or is liable for in acting as Facility Agent, and must pay such amount within 2 Business Days after demand, except to the extent such Loss is attributable to the Facility Agent's fraud, wilful misconduct or gross negligence.

17.13 Independent appraisal by Financiers

Each Financier acknowledges that it has made and must continue to make, independently and without reliance on the Facility Agent or any other Financier, and based on the documents and information it considers appropriate, its own investigation into and appraisal of:

- (a) the affairs of each Transaction Party;
- (b) the accuracy and sufficiency of any information on which it has relied in connection with its entry into the Finance Documents; and
- (c) the legality, validity, effectiveness, enforceability and sufficiency of each Finance Document.

17.14 Resignation and removal of Facility Agent

- (a) The Facility Agent may, by at least 10 Business Days notice to FOXTEL and the Financiers, resign at any time and the Majority Financiers may, by at least 10 Business Days notice to FOXTEL and the Facility Agent, remove the Facility Agent from office. The resignation or removal of the Facility Agent takes effect on appointment of a successor Facility Agent in accordance with this clause 17.14.
- (b) When a notice of resignation or removal is given, the Majority Financiers (after consulting with FOXTEL) may appoint a successor Facility Agent. If FOXTEL does not agree to the successor Facility Agent nominated by the Majority Financiers, then the Financiers and FOXTEL shall negotiate in good faith for a period of 10 Business Days and if there is still no agreement upon the expiry of that period, the decision of the Majority Financiers will prevail. If no successor Facility Agent is appointed within 20 Business Days, the Facility Agent may appoint a successor Facility Agent.

- (c) When a successor Facility Agent is appointed, and executes an undertaking to be bound as successor Facility Agent under the Finance Documents, the successor Facility Agent succeeds to and becomes vested with all the Powers and duties of the retiring Facility Agent, and the retiring Facility Agent is discharged from its duties and obligations under the Finance Documents.
- (d) After any retiring Facility Agent's resignation or removal, this Agreement continues in effect in respect of any actions which the Facility Agent took or omitted to take while acting as the Facility Agent.
- (e) The Facility Agent shall resign in accordance with paragraph (a) above (and, to the extent applicable), shall use reasonable endeavours to appoint a successor Facility Agent if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:
 - (i) the Facility Agent fails to respond to a request under clause 11 and FOXTEL or a Financier reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Facility Agent pursuant to clause 11 indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Facility Agent notifies FOXTEL and the Financiers that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,and (in each case) FOXTEL or a Financier reasonably believes that a party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and FOXTEL or that Financier, by notice to the Facility Agent, requires it to resign.

17.15 Institution of actions by Financiers

- (a) A Financier must not institute any legal proceedings against a Transaction Party to recover amounts owing to it under the Finance Documents, without giving the Facility Agent and each other Financier a reasonable opportunity to join in the proceedings or agree to share the costs of the proceedings.
- (b) If a Financier does not join in an action against a Transaction Party or does not agree to share in the costs of the action (having been given a reasonable opportunity to do so by the Financier bringing the action), it is not entitled to share in any amount recovered by the action until all the Financiers who did join in the action or agree to share the costs of the action have received in full all money payable to them under the Finance Documents.

17.16 Identity of Financiers

The Facility Agent may treat each Financier as the absolute legal and beneficial holder of its rights under the Finance Documents for all purposes, despite any notice to the contrary, unless otherwise required by law.

17.17 Address for notices to the Facility Agent

The Facility Agent's address, fax number and email address is those set out below, or as the Facility Agent notifies the sender:

Address: Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney NSW 2000

Email address: agencygroup@cba.com.au

Fax number: +61 2 9118 4001

Attention: Steven Furlong, Vice President - Agency

17.18 Disenfranchisement for certain Debt Purchase Transactions

- (a) For so long as any Borrower Affiliate beneficially owns a Commitment or is a party to a Debt Purchase Transaction:
 - (i) any Principal Outstanding in respect of that Commitment or Debt Purchase Transaction is taken to be zero for the purpose of determining who are the Majority Financiers for any approval, consent, waiver, amendment or other matter requiring a vote, instruction or direction by Financiers under the Finance Documents; and
 - (ii) that Borrower Affiliate and any other person with whom it has entered into a Debt Purchase Transaction will be taken not to be a Financier for the purposes of instructing the Facility Agent (unless, in the case of that other person, it is a Financier in respect of another Commitment).
- (b) Each Financier must promptly notify the Facility Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Borrower Affiliate, together with the amount of Commitment to which the Debt Purchase Transaction relates.
- (c) Each Financier that is a Borrower Affiliate agrees that (unless the Facility Agent otherwise agrees):
 - (i) it is not entitled to receive the agenda or any minutes of, nor to attend or participate in, any meeting or conference call to which all Financiers or the Majority Financiers are invited to attend or participate in; and
 - (ii) it is not entitled to receive any report or other document prepared at the request of, or on the instructions of, the Facility Agent or one or more of the Financiers.
- (d) In this clause:
 - (i) Borrower Affiliate means:
 - (A) a Transaction Party and each member of the FOXTEL Group;
 - (B) a Related Body Corporate of any person described in paragraph (A) above;
 - (C) any entity, or the trustee of any trust or fund, which is managed or controlled by any person described in paragraph (A) or (B) above; and
 - (D) any partnership of which any person described in paragraph (A) or (B) above is a partner.
 - (ii) **Debt Purchase Transaction** means, in relation to a person, a transaction where that person:
 - (A) purchases by way of assignment or transfer; or
 - (B) enters into any sub-participation (or any agreement or arrangement having an economic substantially similar effect as a sub-participation) in respect of,
any Commitment or Principal Outstanding.

18 Facility Agent Dealings

Except where expressly provided otherwise:

- (a) all correspondence under or in relation to the Finance Documents between a Financier on the one hand, and a Transaction Party on the other, will be addressed to the Facility Agent; and
- (b) the Financiers and the Transaction Parties severally agree to deal with and through the Facility Agent in accordance with this Agreement.

19 Control Accounts

The accounts kept by the Facility Agent constitute sufficient evidence, unless proven wrong, of the amount at any time due from any Borrower under this Agreement.

20 Proportionate Sharing

20.1 Sharing

- (a) Whenever a Financier (***Financier A***) receives or recovers any money in respect of any sum due from a Borrower under this Agreement in any way (including by set-off) except through distribution by the Facility Agent under this Agreement:
 - (i) Financier A will promptly notify the Facility Agent and pay an amount equal to the amount of that money to the Facility Agent (unless the Facility Agent directs otherwise); and
 - (ii) the Facility Agent will deal with the amount as if it were a payment by the Borrower on account of all sums then payable to the Financiers.
- (b) Unless paragraph (c) applies:
 - (i) the payment or recovery will be taken to have been a payment for the account of the Facility Agent and not to Financier A for its own account, and the liability of that Borrower to Financier A will only be reduced to the extent of any distribution received by Financier A under paragraph (a)(ii); and
 - (ii) (without limiting sub-paragraph (i)) each Borrower shall indemnify Financier A against a payment under paragraph (a)(i) to the extent that (despite sub-paragraph (i)) its liability has been discharged by the recovery or payment.
- (c) Where:
 - (i) the money referred to in paragraph (a) was received or recovered otherwise than by payment (for example, set-off); and
 - (ii) that Borrower, or the person from whom the receipt or recovery is made, is insolvent at the time of the receipt or recovery, or at the time of the payment to the Facility Agent, or becomes insolvent as a result of the receipt, or recovery or the payment,

then the following will apply so that the Financiers have the same rights and obligations as if the money had been paid by that Borrower to the Facility Agent for the account of the Financiers and distributed accordingly:

- (iii) each other Financier will assign to Financier A an amount of the debt owed by that Borrower to that Financier under the Finance Documents equal to the amount received by that Financier under paragraph (a);

- (iv) Financier A will be entitled to all rights (including interest and voting rights) under the Finance Documents in respect of the debt so assigned; and
 - (v) that assignment will take effect automatically on payment of the distributed amount by the Facility Agent to the other Financier.
- (d) If Financier A is required to disgorge or unwind all or part of the relevant recovery or payment then the other Financiers shall repay to the Facility Agent for the account of Financier A the amount necessary to ensure that all the Financiers share ratably in the amount of the recoveries or payments retained. Paragraphs (b) and (c) above apply only to the retained amount.

20.2 Arrangements with unrelated parties

This clause does not apply to receipts and recoveries by a Financier under arrangements (including credit derivatives and sub-participations) entered into by the Financier in good faith with parties unrelated to the Transaction Parties to cover some or all of its risk.

20.3 Unanticipated default

- (a) The Facility Agent may assume that a party (the **Payer**) due to make a payment for the account of another party (the **Recipient**) makes that payment when due unless the Payer notifies the Facility Agent at least one Business Day before the due date that the Payer will not be making the payment.
- (b) In reliance on that assumption, the Facility Agent may make available to the Recipient on the due date an amount equal to the assumed payment.
- (c) If the Payer does not in fact make the assumed payment, the Recipient shall repay the Facility Agent the amount on demand. The Payer will still remain liable to make the assumed payment, but until the Recipient does repay the amount, the Payer's liability will be to the Facility Agent in the Facility Agent's own right.
- (d) If the Payer is a Transaction Party any interest on the amount of the assumed payment accruing before recovery will belong to the Facility Agent. If the Payer is a Financier that Financier shall pay interest on the amount of the assumed payment at the rate determined by the Facility Agent, in line with its usual practice, for advances of similar duration to financial institutions of the standing of the Financier.

21 Governing law and jurisdiction

- (a) This Agreement is governed by the laws of New South Wales.
- (b) Each Borrower irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of New South Wales.
- (c) Each Borrower irrevocably and unconditionally waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum or those courts not having jurisdiction.
- (d) Each Borrower irrevocably waives any immunity in respect of its obligations under this Agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.
- (e) A Finance Party may take proceedings in connection with the Finance Documents in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

22 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1

Initial Borrowers

<u>Name</u>	<u>ABN/ACN/ARBN</u>	<u>Address and Notice details</u>
FOXTEL Management Pty Limited (in its own capacity)	65 068 671 938	Address: 5 Thomas Holt Drive, North Ryde NSW2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
FOXTEL Finance Pty Limited	151 691 897	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606

Schedule 2

Initial Financiers

<u>Name and address</u>	<u>ABN/ACN/ARBN</u>	<u>Tranche 1 Commitment</u>	<u>Tranche 2 Commitment</u>
Commonwealth Bank of Australia			
Level 21 Darling Park Tower 1 201 Sussex Street Sydney NSW 2000	48 123 123 124	A\$50,000,000	A\$50,000,000
Australia and New Zealand Banking Group Limited			
Level 20 252 Pitt Street Sydney NSW 2000			
Facsimile: +61 2 8937 7150	11 005 357 522	A\$50,000,000	A\$50,000,000
National Australia Bank Limited			
Level 18 255 George Street Sydney NSW 2000			
Facsimile: + 61 2 9237 1382	12 004 044 937	A\$50,000,000	A\$50,000,000
Westpac Banking Corporation			
Level 3 Westpac Place 275 Kent Street Sydney NSW 2000	33 007 457 141	A\$50,000,000	A\$50,000,000

Schedule 3

Initial conditions precedent

1 Verification Certificate

A certificate in relation to each Initial Borrower given by two officers of the relevant Initial Borrower, substantially in the form of Annexure C.

2 Finance Documents

- (a) An original of this Agreement duly executed by each Initial Borrower.
- (b) A Finance Party Nomination Letter duly executed by FOXTEL nominating the Facility Agent a *Financier Representative*, each Initial Financier a *Financier* and this Agreement a *Finance Document* for the purposes of the Common Terms Deed Poll.
- (c) A Senior Debt Nomination Letter (as that term is defined in the Subordination Deed) duly executed by FOXTEL nominating each Initial Financier a *Senior Lender*, the Facility Agent a *Senior Lender Representative*, this Agreement a *Senior Debt Document* and each Initial Financiers' Commitment as *Senior Commitments* for the purposes of the Subordination Deed.

3 Existing Syndicated Facility Agreement

Evidence that all or part of the first Funding Portion provided under this Agreement will be applied to refinance the Existing Syndicated Facility Agreement so that on the date on which the first Funding Portion is provided, all amounts outstanding under Tranche A of the Existing Syndicated Facility Agreement will be repaid in full and all commitments under Tranche A of the Existing Syndicated Facility Agreement will be cancelled.

4 KYC

Completion of the Finance Parties' "Know Your Customer" checks in respect of each Transaction Party and each Partner and their authorised representatives, and any other person for whom the Finance Parties reasonably believe that an applicable customer identification procedure must be conducted in connection with the Finance Documents and the transactions contemplated by those documents.

5 Legal Opinion

An opinion of Allens, Australian legal advisers to the Initial Borrowers addressed to the Finance Parties concerning the Finance Documents.

6 Fees

Payment of all fees due and payable under the Finance Documents (including each Finance Party's legal costs and expenses in relation to negotiation and preparation of, and entry into, the Finance Documents).

Executed as an agreement.

INITIAL BORROWERS

Signed by FOXTEL Management Pty Limited as an Initial Borrower by:

/s/ Richard Freudenstein
Director

RICHARD FREUDENSTEIN
Print Name

Signed by FOXTEL Finance Pty Limited as an Initial Borrower by:

/s/ Richard Freudenstein
Director

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary

LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary

LYNETTE IRELAND
Print Name

THE INITIAL FINANCIERS

Signed for Commonwealth Bank of Australia by its attorney in the presence of:

/s/ Angela Sutcliffe
Witness Signature
Angela Sutcliffe
Print Name

/s/ Jessica Dwyer
Attorney Signature
Jessica Dwyer
Print Name

Signed for Australia and New Zealand Banking Group Limited by its attorney in the presence of:

/s/ Tony Stoilkovski
Witness Signature
Tony Stoilkovski
Print Name

/s/ Jonathan Woodhouse
Attorney Signature
JONATHAN WOODHOUSE
Print Name

Signed for National Australia Bank Limited by its attorney in the presence of:

/s/ Annika Li
Witness Signature
ANNIKA LI
Print Name

/s/ Simon Anderson
Attorney Signature
SIMON ANDERSON
Print Name

Signed for Westpac Banking Corporation
by its attorney in the presence of:

/s/ Michael Corroll
Witness Signature

Michael Corroll
Print Name

/s/ Dean O'Neill
Attorney Signature

Dean O'Neill
Print Name Dean O'Neill
Tier Three Attorney

THE AGENT

Signed for Commonwealth Bank of Australia by its attorney in the presence of:

/s/ Robert Harker
Witness Signature

ROBERT HARKER
Print Name

/s/ Brett Halls
Attorney Signature

BRETT HALLS
Print Name

Annexure A

Borrower Assumption Letter

TO: Commonwealth Bank of Australia (as *Facility Agent*)

From: [New Borrower]

Dated: [*]

Dear Sirs

Re: Syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2014 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

1. We refer to the Facility Agreement. This is a Borrower Assumption Letter. Terms used in the Facility Agreement have the same meaning in this Borrower Assumption Letter unless given a different meaning in this Borrower Assumption Letter.
2. [New Borrower] agrees to become a party to the Facility Agreement as a New Borrower and to be bound by the terms of the Facility Agreement as a Borrower.
3. [New Borrower] acknowledges having received a copy of and approved the Facility Agreement together with all other documents and information it requires in connection with the Facility Agreement before signing this letter.
4. This letter is governed by New South Wales law.

[*If the New Borrower is signing under a Power of Attorney*] [each attorney executing this letter states that he or she has no notice of revocation or suspension of his or her power of attorney.]

[*Insert execution clause for New Borrower*]

Annexure B

Funding Notice

To: Commonwealth Bank of Australia (*Facility Agent*)

We refer to the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2014 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Expressions defined in the Facility Agreement have the same meaning when used in this Funding Notice.

Under clause 5.1 of the Facility Agreement:

- (a) We give you notice that we wish to draw on [*insert Funding Date*] (*Funding Date*).
- (b) The aggregate amount to be drawn is A\$[*].
- (c) Particulars of each Funding Portion are as follows:

<u>Tranche</u>	<u>Amount</u>	<u>Interest Period</u>
[*]	[*]	[*]

- (d) The proceeds of each Funding Portion are to be used in accordance with clause 3 of the Facility Agreement.
- (e) [Except as disclosed in paragraph (f)] each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this Funding Notice.
- (f) [Details of the exception to paragraph (e) are as follows: [*]]
- (g) We represent and warrant that no [Default]/[Event of Default] is continuing or will result from the provision of the Funding Portions referred to in this Funding Notice.

Date:

Signed for and on behalf of **[insert name of Borrower]** by

Officer

Name (please print)

Annexure C

Verification Certificate

Note: To be signed by two officers of the relevant company.

TO: Commonwealth Bank of Australia (as *Facility Agent*)

Syndicated Revolving Facility for FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited

We are [two directors]/[a director and the secretary] of [*] (the *Company*).

We refer to the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2014 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Definitions in the Facility Agreement apply in this Certificate.

Attached are true, up-to-date and complete copies of the following.

- (a) [A power of attorney under which the Company executed any Finance Document to which it is expressed to be a party relating to the above facility. That power of attorney has not been revoked by the Company and remains in full force and effect.]
- (b) Extracts of minutes of a meeting of the directors of the Company authorising execution of any Finance Document to which it is expressed to be a party relating to the above facility.
- (c) A certificate of incorporation and constituent documents for the Company, if they are not already held by the Facility Agent.

If any of the documents in paragraph (c) are already held by the Facility Agent, we confirm [they are complete and up-to-date the attached amendments are all subsequent amendments to them].

Below are the specimen signatures of all those authorised to give drawdown and other notices for the Company (each an *Officer*):

Name	Signature	Date of birth
[*]	_____	_____
[*]	_____	_____
[*]	_____	_____

By completing and signing an entry on the above list, each Officer acknowledges that:

- each Financier may verify the identity of each Officer and carry out any “know your customer” check (or similar requirement) in respect of each Officer to each Financier’s satisfaction; and
- the Officer has read and agrees with each Privacy Statement, which describes the manner in which their personal information may be collected, used and disclosed by a Financier.

The Company is solvent.

Syndicated Revolving Facility Agreement

Director

[Director]/[Secretary]

Annexure D

Substitution Certificate

This Agreement is made on [] between the following parties:

1. []
 ABN []
(Retiring Financier)
2. []
 ABN []
(Substitute Financier)
3. **Commonwealth Bank of Australia**
 ABN 48 123 123 124
(Facility Agent)

1 Interpretation

1.1 Incorporated definitions

A word or phrase defined in the Facility Agreement has the same meaning when used in this Agreement.

1.2 Definitions

In this Agreement:

Facility Agreement means the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2014 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Substituted Commitment means the Commitment of the Retiring Financier and the participation in the Principal Outstanding drawn under that Commitment in respect of the following Funding Portions:

Date [*]	Interest Period [*]	Amount of Participation [*]	Tranche [*]
-------------	------------------------	--------------------------------	----------------

amounting to a principal amount of A\$[*].

Substitution Date means [*].

1.3 Interpretation

- (a) Clause 1 of the Facility Agreement applies to this Agreement as if set out in full in this Agreement.
- (b) A reference in this Agreement to ‘identical’ rights or obligations is a reference to rights or obligations substantially identical in character to those rights or obligations rather than identical as to the person entitled to them or obliged to perform them.

1.4 Capacity

- (a) The Facility Agent enters into this Agreement for itself and as agent for each of the parties to the Facility Agreement (other than the Retiring Financier).

2 Substitution

2.1 Effect of substitution

With effect on and from the Substitution Date:

- (a) no party to the Finance Documents has any further obligation to the Retiring Financier in relation to the Substituted Commitment;
- (b) the Retiring Financier is released from and has no further rights or obligations to a party to the Finance Documents in relation to the Substituted Commitment and any Finance Document to that extent;
- (c) the Facility Agent grants to the Substitute Financier rights which are identical to the rights which the Retiring Financier had in respect of the Substituted Commitment and any Finance Document to that extent; and
- (d) the Substitute Financier assumes obligations towards each of the parties to the Finance Documents which are identical to the obligations which the Retiring Financier was required to perform in respect of the Substituted Commitment before the acknowledgment set out in 2.1(b).

2.2 Substitute Financier a Financier

With effect on and from the Substitution Date:

- (a) the Substitute Financier is taken to be a party to the Finance Documents with a Commitment equal to the Substituted Commitment and the Facility Agreement is amended accordingly; and
- (b) a reference in the Common Terms Deed Poll and Facility Agreement to 'Financier' includes a reference to the Substitute Financier.

2.3 Preservation of accrued rights

- (a) The Retiring Financier and all other parties to the Finance Documents remain entitled to and bound by their respective rights and obligations in respect of the Substituted Commitment and any of their other rights and obligations under the Finance Documents which have accrued up to the Substitution Date.

3 Acknowledgments

3.1 Copies of documents

The Substitute Financier acknowledges that it has received a copy of the Common Terms Deed Poll and the Facility Agreement and all other information which it has requested in connection with those documents.

3.2 Acknowledgment

The Substitute Financier acknowledges and agrees as specified in clause 17.13 of the Facility Agreement, which applies as if references to the Facility Agent included the Retiring Financier and references to any Finance Document included this Agreement.

4 Payments

4.1 Payments by Facility Agent

With effect on and from the Substitution Date, the Facility Agent must make all payments due under the Finance Documents in connection with the Substituted Commitment to the Substitute Financier, without having any further responsibility to the Retiring Financier in respect of the same.

4.2 As between Financiers

The Retiring Financier and the Substitute Financier must make directly between themselves the payments and adjustments which they agree with respect to accrued interest, fees, costs and other rights or other amounts attributable to the Substituted Commitment which accrue before the Substitution Date.

5 Outstanding Liquidity Bills

The Substitute Financier indemnifies the Retiring Financier against any Loss which the Retiring Financier suffers, incurs or is liable for as acceptor, endorser or discounter of any outstanding Liquidity Bills prepared by the Retiring Financier in relation to the Substituted Commitment.

6 Warranty

Each of the Retiring Financier and the Substitute Financier represent and warrant to the other parties that the requirements of clause 16 of the Facility Agreement have been complied with in relation to the Substituted Commitment.

7 Details of Substitute Financier

The Lending Office and its notice details for correspondence of the Substitute Financier is as follows:

Address: [*];

Attention: [*]; and

Facsimile: [*]

8 General

Clause 15 of the Common Terms Deed Poll applies to this Agreement as if it were set out in full in this Agreement.

9 Attorneys

Each of the attorneys executing this Agreement states that the attorney has no notice of revocation of that attorney's power of attorney.

Executed as an agreement

Retiring Financier:

**Signed for [] by its attorney in
the presence of:**

Witness Signature

Print Name

Attorney Signature

Print Name

Substitute Financier:

**Signed for [] by its attorney in
the presence of:**

Witness Signature

Print Name

Attorney Signature

Print Name

Facility Agent:

**Signed for Commonwealth Bank of
Australia by its attorney in the presence of:**

Witness Signature

Print Name

Attorney Signature

Print Name

12 JUNE 2015

To:

Commonwealth Bank of Australia
Darling Park, Tower 1
Level 22, 201 Sussex Street
Sydney NSW 2000

Attention: Steven Furlong, Vice President—Agency

Dear Steven

We refer to:

- (a) the A\$400 million Syndicated Revolving Facility Agreement dated 17 June 2014 between, FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited as Initial Borrowers, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation as Initial Financiers and Commonwealth Bank of Australia as Facility Agent (the **2014 Facility Agreement**); and
- (b) the Syndicated Facility Agreement to be entered into on or about the date of this letter by FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited as Initial Borrowers, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation as Initial Financiers and Commonwealth Bank of Australia as Facility Agent (the **2015 Facility Agreement**).

Terms defined in the 2014 Facility Agreement (including by incorporation) have the same meaning in this letter unless the context otherwise requires or the relevant term is defined in this letter.

Amendments to the 2014 Facility Agreement

In accordance with clause 17.5 (*Instructions to Facility Agent*) of the 2014 Facility Agreement, we would be grateful if you could ask the Financiers to confirm that, subject to payment of the consent fee referred to below, they approve the following amendments to the 2014 Facility Agreement (the **Amendments**):

- (a) in relation to each Funding Portion which is provided or redrawn after the date of this letter under Tranche 1 or Tranche 2 with effect from the first day of the next Interest Period for such Funding Portion, clause 7.4 (*Margin*) of the 2014 Facility Agreement be deleted and replaced with the following:

“The Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date. Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

<u>Total Debt to EBITDA</u>	<u>Tranche 1 Margin</u>	<u>Tranche 2 Margin</u>
≤1.5	1.10% p.a.	1.20% p.a.

<u>Total Debt to EBITDA</u>	<u>Tranche 1 Margin</u>	<u>Tranche 2 Margin</u>
above 1.5 ≤ 2.0	1.20% p.a.	1.25% p.a.
above 2.0 ≤ 2.25	1.25% p.a.	1.325% p.a.
above 2.25 ≤ 2.5	1.35% p.a.	1.40% p.a.
above 2.5 ≤ 3.0	1.45% p.a.	1.55% p.a.
above 3.00 ≤ 3.5	1.70% p.a.	1.80% p.a.
above 3.5	2.05% p.a.	2.15% p.a.

“; and

(b) with effect from the date of this letter, the definition of ‘Maturity Date’ in clause 1.1 (*Definitions*) of the 2014 Facility Agreement will be deleted and replaced with the following:

“**Maturity Date** means, in relation to:

- (a) Tranche 1, 30 May 2019; and
- (b) Tranche 2, 31 January 2020.”

Consent Fee

In consideration of the Financiers agreement to the Amendments, FOXTEL will pay a consent fee equal to 0.05% of the aggregate of each consenting Financier’s Tranche 1 Commitment and Tranche 2 Commitment. The consent fee will be payable on Financial Close (as defined in the 2015 Facility Agreement) to each consenting Financier rateably in accordance with their Tranche 1 Commitment and Tranche 2 Commitment.

Miscellaneous

We would be grateful if you could please sign and return the enclosed copy of this letter on behalf of the Financiers to confirm that the Amendments have been approved by the Financiers.

We confirm that other than the Amendments, the terms of the 2014 Facility Agreement remain unchanged and in full force and effect and that nothing in this letter:

- (a) affects the validity or enforceability of the Finance Documents;
- (a) prejudices or adversely affects any right, power, authority, discretion or remedy arising under any Finance Document before the date of this letter; or
- (b) discharges, releases or otherwise affects any liability or obligation arising under any Finance Document before the date of this letter.

We confirm that each representation and warranty given under the Common Terms Deed Poll (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this letter.

This letter may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

This letter is governed by the laws of New South Wales and is a Finance Document for the purposes of the 2014 Facility Agreement.

Yours sincerely

RICHARD FREUDENSTEIN

LYNETTE IRELAND

/s/ Richard Freudenstein

/s/ Lynette Ireland

On behalf of FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited

Page 3

We confirm that the Financiers have approved the Amendments on the terms of this letter

/s/ Steven Furlong

For and on behalf of Commonwealth Bank of Australia as Facility Agent for the Financiers under the 2014 Facility Agreement

Page 4

**FOXTEL Management Pty Limited
FOXTEL Finance Pty Limited
Each Initial Financier named in Schedule 2
Commonwealth Bank of Australia as Facility Agent**

Syndicated Revolving Facility Agreement

The Allens contact for this document is Alan Maxton

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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This Agreement is made on 12 JUNE 2015

Parties

- 1 Each person named in Schedule 1 (each an *Initial Borrower*);
- 2 Each bank or financial institution named in Schedule 2 (each an *Initial Financier*); and
- 3 Commonwealth Bank of Australia ABN 48 123 123 124 of Level 22, 201 Sussex Street, Darling Park Tower, Sydney, NSW, 2000 (the *Facility Agent*).

Recitals

The Initial Borrowers have requested the Financiers to provide a facility under which cash advances of up to a maximum of A\$400,000,000 may be made available to the Borrowers.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

In this Agreement:

Availability Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) one month prior to the Maturity Date; or
- (b) the date on which the Commitment is cancelled in full.

Base Rate for a period means the higher of zero and the following rate determined as of 10.30am (Sydney time) on the first day of that period and for a period equivalent (in the opinion of the Facility Agent, without the need for instructions) to the Interest Period:

- (a) the Screen Rate; or
- (b) if no Screen Rate is available for that period and:
 - (i) the Interest Period is no longer than the minimum period for which a Screen Rate is available, the Interpolated Screen Rate for that period; or
 - (ii) it is not possible to calculate an Interpolated Screen Rate for that period,

then the Base Rate will be the rate determined by the Facility Agent to be the arithmetic mean of the buying rates quoted to the Facility Agent by three Reference Banks at or about 10.30am (Sydney time) on the first day of that period provided that, and subject to clause 9, if a Reference Bank does not supply a quotation by the time specified, the applicable Base Rate shall be determined on the basis of the quotations of the remaining Reference Banks. The buying rates must be for bills of exchange accepted by leading Australian banks and which have a term closest to the period.

Rates will be expressed as a yield percent per annum to maturity, and if necessary will be rounded to the nearest fourth decimal place.

Borrower means each Initial Borrower or a New Borrower.

Borrower Assumption Letter means a letter substantially in the form of Annexure A.

Break Costs means, in relation to a Financier, the amount determined by that Financier as being incurred by reason of the liquidation or re-employment of deposits or other funds acquired or

contracted for, or allocated by the Financier to fund or maintain its commitments under the Finance Documents or the termination or repricing of any interest rate or currency swap or other hedging arrangement (including an internal arrangement) entered into by the Financier in connection with the liquidation or re-employment of those deposits or other funds.

Code means the US Internal Revenue Code of 1986.

Commitment means, in relation to a Financier, the amount specified opposite the relevant Financier's name in Schedule 2 as reduced or cancelled under this Agreement.

Common Terms Deed Poll means the common terms deed poll dated 10 April 2012 given by FOXTEL Management Pty Limited, the parties listed in Schedule 1 to that document and others in favour of the Finance Parties (as defined therein).

Existing Commitment Allocation means, in relation to a Financier, that Financier's unused and drawn commitment under Tranche B of the Existing Syndicated Facility Agreement.

Existing Syndicated Facility Agreement means the Syndicated Facility Agreement between the Initial Borrowers and others dated 10 April 2012 (as amended from time to time).

Exposure means, in respect of a Financier, the aggregate Principal Outstanding in respect of that Financier under the Facility at that time.

Facility means the A\$400,000,000 revolving cash advance facility made available to the Borrowers under this Agreement.

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a party that is entitled to receive payments free from any FATCA Deduction.

Finance Document means:

- (a) this Agreement;
- (b) any Swap Agreement to which a Financier is a counterparty;
- (c) the Common Terms Deed Poll;
- (d) any Guarantee Assumption Deed Poll;
- (e) any Borrower Assumption Letter;
- (f) any Substitution Certificate;
- (g) any Subordination Deed;
- (h) any document under which a Transaction Facility is provided; or
- (i) any other document or agreement agreed in writing to be a Finance Document for the purposes of this Agreement by FOXTEL and the Facility Agent,

or any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any of the above

Finance Party means:

- (a) the Facility Agent; or
- (b) any Financier.

Financial Close means the date (on or before 30 June 2015) on which the Facility Agent has issued a notice specifying that all conditions precedent referred to in clause 2.1 have been satisfied or waived.

Financier means:

- (a) any Initial Financier; or
- (b) any Substitute Financier,

unless they have ceased to be a Financier in accordance with this Agreement.

Funding Date means the date on which a Funding Portion is provided or redrawn, or is to be provided or redrawn, to or by a Borrower under this Agreement.

Funding Notice means a notice in the form of Annexure B.

Funding Portion means each portion of the Commitments provided under this Agreement which has the same Funding Date and Interest Period.

Funding Rate means, in respect of an Interest Period, the aggregate of:

- (a) the Base Rate for that Interest Period; and
- (b) the Margin.

Interest Payment Date means the last day of each Interest Period.

Interest Period means a period determined under clause 5.6.

Interpolated Screen Rate means in relation to the Base Rate, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period.

Lending Office means, in respect of a Financier, the office of that Financier set out with its name in Schedule 2, or any other office notified by the Financier under this Agreement.

Liquidity Bill means a Bill drawn under clause 12.

Majority Financiers means Financiers whose aggregate Exposure is more than two thirds of the Total Exposure.

Margin means at any time the rate calculated in accordance with clause 7.4.

Market Disruption Event means:

- (a) at or about noon on the first day of the Interest Period, the Screen Rate is not available and none or only one of the Reference Banks provides a rate to the Facility Agent to determine the Base Rate for the relevant Interest Period (in which case each Financier participating in the relevant Funding Portion will be an **Affected Financier**); or
- (b) before 5.00 pm (Sydney time) on the Business Day after the first day of the relevant Interest Period, the Facility Agent receives notifications in good faith from Financiers whose participation in the relevant drawdown is, or will be, equal to or greater than 33% of the principal amount under the drawdown, that as a result of market circumstances not limited to it, the cost of obtaining matching deposits in the Australian bank bill market to those Financiers would be in excess of the Base Rate or it is unable to obtain matching deposits in the Australian bank bill market (in which case an **Affected Financier** will be a Financier which gives such a notice).

Maturity Date means 31 July 2020.

Net Commitment means, in relation to a Financier, that Financier's Undrawn Commitment minus that Financier's Existing Commitment Allocation (if any).

New Borrower means any Guarantor incorporated in Australia which accedes to this Agreement as a Borrower in accordance with clause 16.7.

Principal Outstanding means, at any time, the aggregate principal amount of all outstanding Funding Portions under the Facility at that time.

Privacy Statement means each privacy statement of a Financier provided to FOXTEL on or prior to the date of this Agreement.

Pro Rata Share of a Financier, in respect of a Funding Portion, means the proportion of that Financier's participation in that Funding Portion to the amount of that Funding Portion. That proportion will be determined under clause 4.2.

Reference Bank means:

- (a) Commonwealth Bank of Australia;
- (b) Westpac Banking Corporation;
- (c) Australia and New Zealand Banking Group Limited; or
- (d) National Australia Bank Limited,

or such other person as the Facility Agent and FOXTEL may agree.

Retiring Financier means a Financier who has assigned or transferred any of its rights or obligations under clause 16 and who is a party to a Substitution Certificate.

Screen Rate means the average bid rate displayed at or about 10.15am (Sydney time) on the first day of the relevant period on the Reuters screen BBSY page for a term closest to the relevant period.

If the agreed page is replaced, the service ceases to be available, or the basis on which that rate is calculated or displayed is changed and the Majority Financiers instruct the Facility Agent (after consultation by the Facility Agent with FOXTEL) that in their opinion it ceases to reflect the Financiers' cost of funding to the same extent as at the date of this Agreement, the Facility Agent on the instructions of the Majority Financiers may specify another page or service displaying the appropriate rate after consultation by the Facility Agent with FOXTEL.

Substitute Financier means the person substituted by a Financier under clause 16.4.

Substitution Certificate means a certificate substantially in the form of Annexure D.

Total Exposure means, at any time, the aggregate Exposure of all Financiers at that time.

Total Undrawn Commitments means, at any time, the aggregate of the Undrawn Commitments of all Financiers at that time.

Transaction Facility means any facility provided by a Finance Party to any one or more of the Transaction Parties.

Undrawn Commitment means, in respect of a Financier at any time, the Commitment of that Financier at that time less the Principal Outstanding provided by that Financier at that time.

US Tax Obligor means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

1.2 Incorporated definitions

Unless expressly defined in this Agreement, capitalised terms defined in the Common Terms Deed Poll have the same meaning in this Agreement.

1.3 Common Terms Deed Poll

- (a) This Agreement and the rights and obligations of the parties to it are subject to the terms and conditions of the Common Terms Deed Poll which are deemed to be incorporated in full into this Agreement as if expressly set out in this Agreement (with the necessary changes).
- (b) Each Finance Document is a **Finance Document** for the purposes of the Common Terms Deed Poll.

2 Conditions precedent

2.1 Initial conditions precedent

The right of a Borrower to give the first Funding Notice and the obligations of each Financier under this Agreement are subject to the condition precedent that the Facility Agent receives all of the items described in Schedule 3 on or before 30 June 2015 in form and substance satisfactory to the Facility Agent (acting on the instructions of all Financiers). The Facility Agent shall notify the Borrowers and the Financiers promptly upon being so satisfied.

2.2 Conditions precedent to all Funding Portions

The right of a Borrower to give a Funding Notice and the obligations of each Financier to make available financial accommodation under this Agreement are subject to the further conditions precedent that as at the date of the relevant Funding Notice and relevant Funding Date:

- (a) **representations and warranties:** each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect as though they had been made in respect of the facts and circumstances then subsisting; and
- (b) **no Default:** no Event of Default or, except in relation to a rollover of an existing drawing, Potential Event of Default, is continuing or will result from the Funding Portion being provided.

3 Purpose

Each Borrower shall use the net proceeds of all accommodation provided under the Facility to:

- (a) refinance Tranche B of the Existing Syndicated Facility Agreement; and
- (b) fund the general working capital and corporate requirements of the FOXTEL Group.

4 Commitments

4.1 Commitment

- (a) Subject to this Agreement, whenever a Borrower requests a Funding Portion in a Funding Notice, each Financier shall provide its Pro Rata Share of that Funding Portion to the Facility Agent in Same Day Funds in Dollars by 12 noon on the relevant Funding Date for the account of that Borrower, except to the extent the Funding Portion continues a previous Funding Portion. Unless otherwise agreed between FOXTEL and the Facility Agent (acting in its own capacity), on receipt the Facility Agent shall pay it to the following account:

Name: Foxtel Management—Main Account

Bank: CBA

BSB: 064000

Account: 10659223

or to such account with a bank in Sydney in the Borrower's name as the Borrower may notify to the Facility Agent by not less than three Business Days' notice. Any such notice must be signed by two Officers.

- (b) A Financier is not obliged to make available its Pro Rata Share in a Funding Portion if as a result its participation in all outstanding Funding Portions would exceed its Commitment.

4.2 Allocation among Financiers

Each Financier shall participate in each Funding Portion rateably according to its Commitment.

4.3 Obligations several

The obligations and rights of each Financier under this Agreement are several and:

- (a) failure of a Financier to carry out its obligations shall not relieve any other Financier of its obligations;
- (b) no Financier shall be responsible for the obligations of any other Financier or the Facility Agent; and

- (c) subject to the provisions of the Finance Documents each Financier may separately enforce its rights under any Finance Document.

5 Funding and rate setting procedures

5.1 Delivery of a Funding Notice

- (a) If a Borrower requires the provision of a Funding Portion, it must deliver a Funding Notice to the Facility Agent.
- (b) The Facility Agent must notify each Financier of:
 - (i) the contents of each Funding Notice; and
 - (ii) the amount of that Financier's Pro Rata Share of the Funding Portion requested,as soon as reasonably practicable and in any event within 1 Business Day after the Facility Agent receives a Funding Notice under clause 5.1(a).

5.2 Requirements for a Funding Notice

A Funding Notice to be effective must be:

- (a) in writing in the form of, and specifying the matters required in, Annexure B; and
- (b) received by the Facility Agent before 11.00 am on a Business Day at least 2 Business Days before the proposed Funding Date (or any shorter period that the Facility Agent agrees in writing).

5.3 Irrevocability of Funding Notice

A Borrower is irrevocably committed to draw Funding Portions from the Financiers in accordance with each Funding Notice issued by it.

5.4 Number of Funding Portions

The Borrowers shall ensure that there are no more than 12 Funding Portions outstanding at any time.

5.5 Amount of Funding Portions

The Borrowers shall ensure that each Funding Portion is:

- (a) a minimum of A\$10,000,000 and an integral multiple of A\$5,000,000; or
- (b) equal to the Total Undrawn Commitments.

5.6 Selection of Interest Periods

- (a) Each Borrower must select the Interest Period which is to apply to a Funding Portion requested by it in the Funding Notice delivered for that Funding Portion.
- (b) Each Interest Period must be of 1, 2, 3, 4, 5 or 6 months or any other period that the Facility Agent agrees with the relevant Borrower.
- (c) If an Interest Period ends on a day which is not a Business Day, it is regarded as ending on the next Business Day in the same calendar month or, if none, the preceding Business Day.
- (d) An Interest Period for a Funding Portion commences either on the first Funding Date for that Funding Portion or on the last day of the immediately preceding Interest Period for that Funding Portion.
- (e) No Interest Period may end after the Maturity Date.

- (f) If a Borrower:
 - (i) fails to select an Interest Period for a Funding Portion under clause 5.6(a); or
 - (ii) selects an Interest Period in a manner which does not comply with this clause 5.6,then the Facility Agent may vary any Funding Notice to ensure compliance.
- (g) If a Borrower fails to give a Funding Notice in accordance with this clause 5 in respect of a Funding Portion which is to be continued by the provision of a new Funding Portion on the last day of its Interest Period, it will be taken to have given a Funding Notice electing to redraw that Funding Portion for the same Interest Period as the previous Interest Period.

5.7 Consolidation of Funding Portions

If two or more Funding Portions have Interest Periods which are of the same duration, then those Funding Portions will be consolidated into, and treated as, a single Funding Portion.

5.8 Determination of Funding Rate

- (a) The Facility Agent must notify each Financier and each Borrower of the Funding Rate for an Interest Period promptly, and in any event within 2 Business Days, after it has made its determination of the applicable Base Rate.
- (b) In the absence of manifest error, each determination of the Base Rate by the Facility Agent is conclusive evidence of that rate against the Borrowers.

6 Cancellation of Commitment and Prepayments

6.1 Cancellation of Commitments during the Availability Period

- (a) A Borrower may cancel all or part of the Total Undrawn Commitments by giving the Facility Agent at least 3 Business Days notice.
- (b) A partial cancellation of the Total Undrawn Commitments may only be made in a minimum amount of A\$10,000,000 and in an integral multiple of A\$1,000,000.
- (c) The Commitment of a Financier is cancelled rateably in accordance with the proportion its Undrawn Commitment bears to the Total Undrawn Commitments cancelled.

6.2 Cancellation at end of Availability Period

At 5.00 pm (Sydney time) on the last day of the Availability Period, the Undrawn Commitment of the Financiers will be cancelled.

6.3 Voluntary Prepayment

- (a) A Borrower may prepay all or part of the Principal Outstanding by giving the Facility Agent at least 3 Business Days notice. That notice is irrevocable. The Borrower shall prepay in accordance with it.
- (b) A prepayment of part only of the Principal Outstanding must be for a minimum of A\$5,000,000 and in an integral multiple of A\$1,000,000.
- (c) Any amount prepaid under this clause may be redrawn.

6.4 General provisions regarding prepayment and cancellation

- (a) A Borrower may make a prepayment under clause 6.3 only on a Business Day.

- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except that the relevant Borrower will be liable for any Break Costs arising as a consequence of the prepayment of all or any part of a Funding Portion other than on the last day of its Interest Period.
- (c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (d) Prepayment of an amount under this clause will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding being prepaid.

7 Interest and Margin

7.1 Interest rate

Interest accrues from day to day on the outstanding principal amount of each Funding Portion at the rate per annum determined by the Facility Agent to be the Funding Rate for the relevant Interest Period.

7.2 Basis of Calculation of Interest

Interest will be calculated on the basis of a 365 day year and for the actual number of days elapsed from and including the first day of each Interest Period to (but excluding) the last day of the Interest Period or, if earlier, the date of prepayment or repayment of the Funding Portion in accordance with this Agreement.

7.3 Payment of Interest

Each Borrower shall pay that accrued interest on any Funding Portion made available to it in arrears on each Interest Payment Date.

7.4 Margin

The Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date. Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

<u>Total Debt to EBITDA</u>	<u>Margin</u>
≤ 1.5	1.25% p.a.
above 1.5 but ≤ 2.0	1.30% p.a.
above 2.0 but ≤ 2.25	1.375% p.a.
above 2.25 but ≤ 2.5	1.45% p.a.
above 2.5 but ≤ 3.0	1.60% p.a.
above 3.0 but ≤ 3.5	1.85% p.a.
above 3.5	2.20% p.a.

8 Repayment

- (a) Each Borrower shall repay each Funding Portion drawn by it on the last day of its Interest Period except to the extent it has been continued by the provision of a new Funding Portion on that day.
- (b) Amounts repaid under paragraph (a) are available for redrawing in accordance with this Agreement.
- (c) Repayment of a Funding Portion will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding of the Funding Portion repaid.
- (d) All Funding Portions must be repaid in full on the Maturity Date.

9 Market Disruption

9.1 Market disruption

- (a) If the Facility Agent determines that a Market Disruption Event occurs in relation to a Funding Portion for any Interest Period, then it shall promptly notify FOXTEL and the Financiers, and the rate of interest on each Affected Financier's participations in that Funding Portion for that Interest Period shall be the rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Facility Agent by that Affected Financier as soon as practicable and in any event no later than the Business Day before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Affected Financier of funding its participation in that Funding Portion from whatever source or sources it may reasonably select.
- (b) Each Affected Financier shall determine the rate notified by it under sub-paragraph (a)(ii) above in good faith. The rate so notified and any notification under paragraph (b) of the definition of Market Disruption Event, will be conclusive and binding on the parties in the absence of manifest error.

9.2 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Facility Agent or FOXTEL so requires, the Facility Agent and FOXTEL shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall only apply with the prior consent of all the Financiers and FOXTEL, and then shall be binding on all parties to this Agreement.
- (c) The Facility Agent shall promptly inform FOXTEL and each Financier of any alternative basis agreed under this clause 9.2.

9.3 Agent's role and confidentiality

- (a) The Facility Agent shall promptly notify FOXTEL:
 - (i) on request any rate, or other information notified or specified by a Financier under this clause 9; and
 - (ii) if there is a Market Disruption Event, the identity of any Financier or Financiers giving a notification under paragraph (b) of the definition of Market Disruption Event.

- (b) Each of the Facility Agent and FOXTEL shall keep confidential and not disclose to any other Financier or any other person except the Borrowers, any information relating to a Financier described in paragraph (a) above. The Facility Agent shall ensure that its officers and employees involved in performing its functions as Facility Agent keep that information confidential and do not disclose it or allow it to be available to any other person or office within the Facility Agent.
- (c) However, the Facility Agent, FOXTEL or its officers or employees may disclose such information:
 - (i) to the extent required by any applicable law or regulation; or
 - (ii) to the extent it reasonably deems necessary in connection with any actual or contemplated proceedings or a claim with respect to this clause 9.

10 Anti Money Laundering

- (a) Each Borrower agrees that a Financier may delay, block or refuse to process any transaction without incurring any liability if that Financier suspects that:
 - (i) the transaction may breach any laws or regulations in Australia or any other country binding on that Financier;
 - (ii) the transaction involves any person (natural, corporate or governmental) in a manner that would breach economic and trade sanctions imposed by Australia, the United States, the European Union or any country binding on that Financier; or
 - (iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country and the transaction would breach or cause that Financier to breach any laws or regulations binding on that Financier.
- (b) Each Borrower must provide all information to each Financier which that Financier reasonably requires in order to manage its anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other country. Each Borrower agrees that a Financier may disclose any information concerning a Borrower or any Transaction Party to any law enforcement, regulatory agency or court where and to the extent required by any such law or regulation or authority in Australia or elsewhere.
- (c) Each Borrower declares and undertakes to each Financier that to the best of its knowledge, information and belief the processing of any transaction by the Financier in accordance with that Borrower's instructions will not breach any laws or regulations in Australia or any other country relevant to the transaction.

11 FATCA

- (a) No additional amount is payable to a Financier under clause 3 (**Payments**), clause 9.1 (**Increased costs**) or clause 12.1 (**Tax**) of the Common Terms Deed Poll, if the obligation to do so is attributable to a FATCA Deduction required to be made by a Transaction Party in respect of the Facility.
- (b) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction. Despite

the terms of the Common Terms Deed Poll, if a Transaction Party is required to make a FATCA Deduction in respect of the Facility, the Transaction Party shall not be required to pay any additional amount in respect of that FATCA Deduction under clause 3 (**Payments**), clause 9.1 (**Increased costs**) or clause 12.1 (**Tax**) of the Common Terms Deed Poll.

- (c) Each party shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to whom it is making the payment and, in addition, shall notify FOXTEL, the Facility Agent and the Financiers.
- (d) Subject to paragraph (f) below, each party shall, within ten Business Days of a reasonable request by another party:
 - (i) confirm to that other party whether or not it is a FATCA Exempt Party; and
 - (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable “passthru payment percentage” or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party’s compliance with FATCA.
- (e) If a party confirms to another party pursuant to paragraph (d)(i) that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.
- (f) Paragraph (d) above shall not oblige any Financier or the Facility Agent to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (g) If a party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (d) above (including where paragraph (f) above applies), then:
 - (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
 - (ii) if that party failed to confirm its applicable “passthru payment percentage” then such party shall be treated for the purposes of the Finance Documents (and payments made under them) as if its applicable “passthru payment percentage” is 100%,until (in each case) such time as the party in question provides the requested confirmation, forms, documentation or other information.
- (h) If a Borrower is a US Tax Obligor, or where the Facility Agent reasonably believes that its obligations under FATCA require it, each Financier shall, within ten Business Days of:
 - (i) where a Borrower is a US Tax Obligor and the relevant Financier is an Initial Financier, the date of this Agreement;
 - (ii) where a Borrower is a US Tax Obligor and the relevant Financier is not an Initial Financier, the date of the relevant assignment or transfer;

- (iii) the date a US Tax Obligor becomes a new Borrower under this Agreement; or
- (iv) where the Borrower is not a US Tax Obligor, the date of a request from the Facility Agent supply to the Facility Agent:
- (v) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); or
- (vi) any withholding statement and other documentation, authorisations and waivers as the Facility Agent may require to certify or establish the status of such Financier under FATCA.

The Facility Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Financier pursuant to this paragraph (h) to FOXTEL and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (h).

- (i) Each Financier agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Facility Agent pursuant to paragraph (h) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Facility Agent in writing of its legal inability to do so. The Facility Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to FOXTEL. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (i).

12 Liquidity Bills

- (a) Each Borrower irrevocably and for value authorises each Financier, at its option, to prepare Liquidity Bills in respect of a Funding Portion so that:
 - (i) their total face value amount does not exceed the outstanding principal amount of the Financier's share of the Funding Portion (as notified by the Facility Agent under clause 5.1) and total interest payable to the Financier in respect of the Funding Portion; and
 - (ii) their maturity date is not later than the last day of the Interest Period for that Funding Portion,and to sign them as drawer or endorser in the name of and on behalf of a Borrower.
- (b) A Financier may negotiate or deal with any Liquidity Bill prepared by it as it sees fit and for its own benefit.
- (c) A Financier must pay any Tax on or in respect of the Liquidity Bills and any dealing with the Liquidity Bills in respect of that Financier.
- (d) Each Financier indemnifies each Borrower against any Loss which that Borrower suffers, incurs or is liable for in respect of that Borrower being a party to a Liquidity Bill in respect of that Financier.
- (e) Nothing in clause 12(d) affects a Borrower's obligations under this Agreement (including its obligations in relation to the payment of the Principal Outstanding) which are absolute and unconditional obligations and not affected by any actual or contingent liability of any Financier to any Borrower under clause 12(d).

- (f) If a Borrower discharges any Liquidity Bill by payment, the amount of that payment is regarded as applied on the date of payment against the money owing by that Borrower to the Financier who prepared that Liquidity Bill.

13 Fees

13.1 Commitment fee

- (a) A commitment fee accrues at the rate of 40% of the applicable Margin that would apply in relation to a Funding Portion outstanding on the date the fee is payable on the daily amount of the Net Commitment (if any) of each Financier from the date of this Agreement to (and including) the last date of the Availability Period.
- (b) FOXTEL shall pay (or procure payment of) the accrued commitment fee for the period from the date of this Agreement up to (and including) Financial Close on the earlier of:
 - (i) Financial Close; and
 - (ii) the date on which any Commitment is terminated.
- (c) FOXTEL shall pay (or procure payment of) the accrued commitment fee for the period after Financial Close on the last Business Day of each calendar quarter and at the end of the relevant Availability Period.

13.2 Establishment fee

FOXTEL shall pay (or procure payment) to the Facility Agent for the account of the Initial Financiers the establishment fees as agreed between FOXTEL and the Initial Financiers.

13.3 Agent's fees

FOXTEL shall pay (or procure payment to) the Facility Agent its fees as agreed between FOXTEL and the Facility Agent.

14 Interest on Overdue Amounts

14.1 Accrual

Except where the relevant Finance Document provides otherwise, interest accrues on each unpaid amount which is due and payable by a Borrower under or in respect of any Finance Document (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at the rate determined by the Facility Agent to be the sum of 2% pa plus the higher of:
 - (i) the rate (if any) applicable to the unpaid amount immediately before the due date; and
 - (ii) the Funding Rate, based on an Interest Period of 30 days.

14.2 Payment

Each Borrower shall pay interest accrued under this clause on demand by the Facility Agent and on the last Business Day of each calendar quarter. That interest is payable in the currency of the unpaid amount on which it accrues.

15 Break Costs

A Borrower must, within 3 Business Days of demand by the Facility Agent, pay (without double counting in respect of amounts paid under clause 11.1(b) of the Common Terms Deed Poll) to the Facility Agent for the account of each Financier its Break Costs attributable to all or any part of a Funding Portion being repaid or prepaid by that Borrower on a day other than the last day of the Interest Period for that Funding Portion.

16 Assignments

16.1 Assignment by Borrowers

A Borrower may only assign or transfer any of its rights or obligations under this Agreement with the prior written consent of the Facility Agent acting on the instructions of all Financiers.

16.2 Assignment by Financiers

A Financier may assign or transfer all or any of its rights or obligations under the Finance Documents at any time if:

- (a) any necessary prior Authorisation is obtained;
- (b) except if an Event of Default is continuing, in the case of any Financier, its remaining participation (if any) and the participation of the transferee or assignee in the Commitments is not less than A\$30,000,000;
- (c) the transferee or assignee is:
 - (i) a Related Body Corporate of the Financier or another Financier (in which case clause 16.2(b) shall not apply), and FOXTEL has been given prior written notice of the transfer or assignment;
 - (ii) a bank or financial institution if:
 - (A) where the transfer complies with clause 16.2(b), FOXTEL has been given prior written notice of the transfer or assignment; or
 - (B) where the transfer does not comply with clause 16.2(b), FOXTEL has given prior written consent, not to be unreasonably withheld, to the transfer or assignment; or
 - (iii) any person if an Event of Default is continuing; and
- (d) in the case of a transfer of obligations, the transfer is effected by a substitution under clause 16.4.

16.3 Securitisation

A Financier may, without the consent of any Transaction Party but with prior written notice to FOXTEL, assign, transfer, sub-participate or otherwise deal with all or any part of its rights and benefits under the Finance Documents to a securitisation vehicle so long as the Financier remains the lender of record.

16.4 Substitution certificates

- (a) If a Financier wishes to substitute a new bank or financial institution for all or part of its participation under this Agreement, it and the substitute shall execute and deliver to the Facility Agent 4 counterparts of a certificate substantially in the form of Annexure D together with a registration fee of \$3,500 plus GST (where the substitute is an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth)) or such other amount advised by the Facility Agent from time to time (where the substitute is not an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth))).

- (b) On receipt of the certificate and registration fee, if the Facility Agent is satisfied that the substitution complies with clause 16.2 and the Facility Agent has completed all “know your customer” checks to its satisfaction in relation to the substitution, it shall promptly:
 - (i) notify FOXTEL;
 - (ii) countersign the counterparts on behalf of all other parties to this Agreement;
 - (iii) enter the substitution in a register kept by it (which will be conclusive); and
 - (iv) retain one counterpart and deliver the others to the Retiring Financier, the Substitute Financier and FOXTEL.
- (c) When the certificate is countersigned by the Facility Agent the Retiring Financier will be relieved of its obligations, and the Substitute Financier will be bound by the Finance Documents, as stated in the certificate.
- (d) Each other party to this Agreement irrevocably authorises the Facility Agent to sign each certificate on its behalf.

16.5 Change of Lending Office

A Financier may change its Lending Office if it first notifies and consults with FOXTEL.

16.6 No increased costs

Despite anything to the contrary in this Agreement, if a Financier assigns its rights under this Agreement or changes its Lending Office, a Borrower will not be required to pay any net increase in the total amount of costs, Taxes, fees or charges which is a direct result of the assignment or change and of which that Financier or its assignee was aware or ought reasonably to have been aware on the date of the assignment or change. For this purpose only, a substitution under clause 16.4 will be regarded as an assignment.

16.7 New Borrower

Any Guarantor incorporated in Australia may become a Borrower if the Facility Agent has received the following in form and substance satisfactory to it:

- (a) **(verification certificate)** a certificate in relation to that Guarantor given by two officers of that Guarantor substantially in the form of Annexure C;
- (b) **(completed documents)** a Borrower Assumption Letter duly executed by that Guarantor;
- (c) **(know your customer)** evidence of receipt of all “know your customer” documentation which is reasonably required by the Facility Agent to permit each Financier to carry out all necessary “know your customer” or other similar checks under all applicable anti-money laundering laws and regulations; and
- (d) **(legal opinion)** an opinion of legal advisers to FOXTEL.

17 Relations between Facility Agent and Financiers

17.1 Appointment of Facility Agent

Each Financier appoints the Facility Agent to act as its agent under the Finance Documents and authorises the Facility Agent to do the following on its behalf:

- (a) amend or waive compliance with any provision of the Finance Documents in accordance with the Finance Documents (including clause 17.5);

- (b) all things which the Finance Documents expressly require the Facility Agent to do, or contemplate are to be done by the Facility Agent, on behalf of the Financiers; and
- (c) all things which are incidental or ancillary to the Powers of the Facility Agent described in clauses 17.1(a) or 17.1(b).

17.2 Facility Agent's capacity

The Facility Agent:

- (a) in its capacity as a Financier, has the same obligations and Powers under each Finance Document as any other Financier as though it were not acting as the Facility Agent; and
- (b) may engage in any kind of banking or other business with any Transaction Party without having to notify or account to the Financiers.

17.3 Facility Agent's obligations

- (a) The Facility Agent has only those duties and obligations which are expressly specified in the Finance Documents.
- (b) The Facility Agent is not required to:
 - (i) keep itself informed as to the affairs of any Transaction Party or its compliance with any Finance Document; or
 - (ii) review or check the accuracy or completeness of any document or information it forwards to any Financier or other person.

17.4 Facility Agent's powers

- (a) Except as specifically set out in the Finance Documents (including clause 17.5), the Facility Agent may exercise its Powers under the Finance Documents:
 - (i) as it thinks fit in the best interests of the Financiers; and
 - (ii) without consulting with or seeking the instructions of the Financiers.
- (b) The exercise by the Facility Agent of any Power in accordance with this clause 17 binds all the Financiers.

17.5 Instructions to Facility Agent

The Facility Agent:

- (a) must exercise its Powers in accordance with any instructions given to it by the Majority Financiers or, if specifically required to do so under a Finance Document, all Financiers;
 - (b) must not:
 - (i) amend any provision of a Finance Document which has the effect of:
 - (A) increasing the obligations of any Financier; or
 - (B) changing the terms of payment of any amounts payable under the Finance Documents to any Financier; or
 - (C) changing the manner in which those payments are to be applied; or
 - (D) changing the definition of Majority Financiers; or
 - (E) changing this clause 17.5,
- in each case without the consent of all of the Financiers;

- (ii) amend any other provision of any Finance Document without the consent of the Majority Financiers unless the Facility Agent is satisfied that the amendment is made to correct a manifest error or an error of a formal or technical nature only; or
- (iii) otherwise exercise any Power which the Finance Documents specify are to be exercised with the consent or in accordance with the instructions of all Financiers or the Majority Financiers or some other number of Financiers, or amend any such requirement, except with that consent or in accordance with those instructions; and
- (c) may refrain from acting, whether in accordance with the instructions of the Financiers, the Majority Financiers or otherwise, until it has received security for any amount it reasonably believes may become payable to it by the Financiers under clause 17.12.

17.6 Assumptions as to authority

Each Transaction Party may assume, without inquiry, that any action of the Facility Agent under the Finance Documents is in accordance with any required authorisations, consents or instructions from the Financiers or the Majority Financiers (as the case may be).

17.7 Facility Agent's liability

Neither the Facility Agent nor any Related Body Corporate of the Facility Agent nor any of their respective directors, officers, employees, agents or successors is responsible to the Financiers or a Transaction Party for:

- (a) any recitals, statements, representations or warranties contained in any Finance Document, or in any certificate or other document referred to or provided for in, or received by any of them under, any Finance Document;
- (b) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Finance Document (other than as against the Facility Agent) or any other certificate or document referred to or provided for in, or received by any of them under, any Finance Document;
- (c) any failure by a Transaction Party or any Financier to perform its obligations under any Finance Document; or
- (d) any action taken or omitted to be taken by it or them under any Finance Document or in connection with any Finance Document except in the case of its or their own fraud or wilful misconduct or gross negligence.

17.8 Delegation

The Facility Agent may employ agents and attorneys but will continue to be liable for the acts or omissions of such agents and attorneys.

17.9 Distribution by Facility Agent

Unless any Finance Document expressly provides otherwise, the Facility Agent shall promptly distribute amounts received under any Finance Document firstly to itself for all amounts due to it in its capacity as Facility Agent, then for the account of the Financiers rateably among them according to their Commitments. To make any distribution the Facility Agent may buy and sell currencies in accordance with its normal procedures.

17.10 Facility Agent entitled to rely

The Facility Agent may rely on:

- (a) any certificate, communication, notice or other document (including any facsimile transmission or telegram) it believes to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons; and
- (b) advice and statements of solicitors, independent accountants and other experts selected by the Facility Agent with reasonable care.

17.11 Provision of information

- (a) The Facility Agent must forward to each Financier:
 - (i) notice of the occurrence of any Default promptly after the Facility Agent becomes actually aware of it;
 - (ii) a copy of each report, notice or other document which is intended for redistribution promptly after the Facility Agent receives it from a Transaction Party under any Finance Document; and
 - (iii) a copy of each notice or other document that the Facility Agent considers material, promptly after the Facility Agent delivers it to a Transaction Party under any Finance Document.
- (b) The Facility Agent is not to be regarded as being actually aware of the occurrence of a Default unless the Facility Agent:
 - (i) is actually aware that any payment due by a Transaction Party under the Finance Documents has not been made; or
 - (ii) has received notice from a Financier or a Transaction Party stating that a Default has occurred describing the same and stating that the notice is a *'Default Notice'*.
- (c) Without limiting clause 1.2(r)(ii) of the Common Terms Deed Poll, if the Facility Agent receives a Default Notice, the Facility Agent may treat any such Default as continuing until it has received a further Default Notice from the party giving the original notice stating that the Default is no longer continuing and the Facility Agent is entitled to rely on such second notice for all purposes under the Finance Documents.
- (d) The Facility Agent is not to be regarded as having received any report, notice or other document or information unless it has been given to it in accordance with clause 15.1 of the Common Terms Deed Poll.
- (e) Except as specified in clause 17.11(a) and as otherwise expressly required by the Finance Documents, the Facility Agent has no duty or responsibility to provide any Financier with any information concerning the affairs of any Transaction Party or other person which may come into the Facility Agent's possession.
- (f) Nothing in any Finance Document obliges the Facility Agent to disclose any information relating to any Transaction Party or other person if the disclosure would constitute a breach of any law, duty of secrecy or duty of confidentiality.

17.12 Indemnity by Financiers

The Financiers severally indemnify the Facility Agent (to the extent not reimbursed by any Transaction Party) in their Pro Rata Shares against any Loss which the Facility Agent pays, suffers, incurs or is liable for in acting as Facility Agent, and must pay such amount within 2 Business Days after demand, except to the extent such Loss is attributable to the Facility Agent's fraud, wilful misconduct or gross negligence.

17.13 Independent appraisal by Financiers

Each Financier acknowledges that it has made and must continue to make, independently and without reliance on the Facility Agent or any other Financier, and based on the documents and information it considers appropriate, its own investigation into and appraisal of:

- (a) the affairs of each Transaction Party;
- (b) the accuracy and sufficiency of any information on which it has relied in connection with its entry into the Finance Documents; and
- (c) the legality, validity, effectiveness, enforceability and sufficiency of each Finance Document.

17.14 Resignation and removal of Facility Agent

- (a) The Facility Agent may, by at least 10 Business Days notice to FOXTEL and the Financiers, resign at any time and the Majority Financiers may, by at least 10 Business Days notice to FOXTEL and the Facility Agent, remove the Facility Agent from office. The resignation or removal of the Facility Agent takes effect on appointment of a successor Facility Agent in accordance with this clause 17.14.
- (b) When a notice of resignation or removal is given, the Majority Financiers (after consulting with FOXTEL) may appoint a successor Facility Agent. If FOXTEL does not agree to the successor Facility Agent nominated by the Majority Financiers, then the Financiers and FOXTEL shall negotiate in good faith for a period of 10 Business Days and if there is still no agreement upon the expiry of that period, the decision of the Majority Financiers will prevail. If no successor Facility Agent is appointed within 20 Business Days, the Facility Agent may appoint a successor Facility Agent.
- (c) When a successor Facility Agent is appointed, and executes an undertaking to be bound as successor Facility Agent under the Finance Documents, the successor Facility Agent succeeds to and becomes vested with all the Powers and duties of the retiring Facility Agent, and the retiring Facility Agent is discharged from its duties and obligations under the Finance Documents.
- (d) After any retiring Facility Agent's resignation or removal, this Agreement continues in effect in respect of any actions which the Facility Agent took or omitted to take while acting as the Facility Agent.
- (e) The Facility Agent shall resign in accordance with paragraph (a) above (and, to the extent applicable), shall use reasonable endeavours to appoint a successor Facility Agent if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:
 - (i) the Facility Agent fails to respond to a request under clause 11 and FOXTEL or a Financier reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Facility Agent pursuant to clause 11 indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Facility Agent notifies FOXTEL and the Financiers that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) FOXTEL or a Financier reasonably believes that a party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and FOXTEL or that Financier, by notice to the Facility Agent, requires it to resign.

17.15 Institution of actions by Financiers

- (a) A Financier must not institute any legal proceedings against a Transaction Party to recover amounts owing to it under the Finance Documents, without giving the Facility Agent and each other Financier a reasonable opportunity to join in the proceedings or agree to share the costs of the proceedings.
- (b) If a Financier does not join in an action against a Transaction Party or does not agree to share in the costs of the action (having been given a reasonable opportunity to do so by the Financier bringing the action), it is not entitled to share in any amount recovered by the action until all the Financiers who did join in the action or agree to share the costs of the action have received in full all money payable to them under the Finance Documents.

17.16 Identity of Financiers

The Facility Agent may treat each Financier as the absolute legal and beneficial holder of its rights under the Finance Documents for all purposes, despite any notice to the contrary, unless otherwise required by law.

17.17 Address for notices to the Facility Agent

The Facility Agent's address, fax number and email address is those set out below, or as the Facility Agent notifies the sender:

Address: Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney NSW 2000

Email address: agencygroup@cba.com.au

Fax number: +61 2 9118 4001

Attention: Steven Furlong, Vice President - Agency

17.18 Disenfranchisement for certain Debt Purchase Transactions

- (a) For so long as any Borrower Affiliate beneficially owns a Commitment or is a party to a Debt Purchase Transaction:
 - (i) any Principal Outstanding in respect of that Commitment or Debt Purchase Transaction is taken to be zero for the purpose of determining who are the Majority Financiers for any approval, consent, waiver, amendment or other matter requiring a vote, instruction or direction by Financiers under the Finance Documents; and
 - (ii) that Borrower Affiliate and any other person with whom it has entered into a Debt Purchase Transaction will be taken not to be a Financier for the purposes of instructing the Facility Agent (unless, in the case of that other person, it is a Financier in respect of another Commitment).
- (b) Each Financier must promptly notify the Facility Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Borrower Affiliate, together with the amount of Commitment to which the Debt Purchase Transaction relates.
- (c) Each Financier that is a Borrower Affiliate agrees that (unless the Facility Agent otherwise agrees):

- (i) it is not entitled to receive the agenda or any minutes of, nor to attend or participate in, any meeting or conference call to which all Financiers or the Majority Financiers are invited to attend or participate in; and
 - (ii) it is not entitled to receive any report or other document prepared at the request of, or on the instructions of, the Facility Agent or one or more of the Financiers.
- (d) In this clause:
- (i) Borrower Affiliate means:
 - (A) a Transaction Party and each member of the FOXTEL Group;
 - (B) a Related Body Corporate of any person described in paragraph (A) above;
 - (C) any entity, or the trustee of any trust or fund, which is managed or controlled by any person described in paragraph (A) or (B) above; and
 - (D) any partnership of which any person described in paragraph (A) or (B) above is a partner.
 - (ii) **Debt Purchase Transaction** means, in relation to a person, a transaction where that person:
 - (A) purchases by way of assignment or transfer; or
 - (B) enters into any sub-participation (or any agreement or arrangement having an economic substantially similar effect as a sub-participation) in respect of,
any Commitment or Principal Outstanding.

18 Facility Agent Dealings

Except where expressly provided otherwise:

- (a) all correspondence under or in relation to the Finance Documents between a Financier on the one hand, and a Transaction Party on the other, will be addressed to the Facility Agent; and
- (b) the Financiers and the Transaction Parties severally agree to deal with and through the Facility Agent in accordance with this Agreement.

19 Control Accounts

The accounts kept by the Facility Agent constitute sufficient evidence, unless proven wrong, of the amount at any time due from any Borrower under this Agreement.

20 Proportionate Sharing

20.1 Sharing

- (a) Whenever a Financier (**Financier A**) receives or recovers any money in respect of any sum due from a Borrower under this Agreement in any way (including by set-off) except through distribution by the Facility Agent under this Agreement:
 - (i) Financier A will promptly notify the Facility Agent and pay an amount equal to the amount of that money to the Facility Agent (unless the Facility Agent directs otherwise); and

- (ii) the Facility Agent will deal with the amount as if it were a payment by the Borrower on account of all sums then payable to the Financiers.
- (b) Unless paragraph (c) applies:
- (i) the payment or recovery will be taken to have been a payment for the account of the Facility Agent and not to Financier A for its own account, and the liability of that Borrower to Financier A will only be reduced to the extent of any distribution received by Financier A under paragraph (a)(ii); and
 - (ii) (without limiting sub-paragraph (i)) each Borrower shall indemnify Financier A against a payment under paragraph (a)(i) to the extent that (despite sub-paragraph (i)) its liability has been discharged by the recovery or payment.
- (c) Where:
- (i) the money referred to in paragraph (a) was received or recovered otherwise than by payment (for example, set-off); and
 - (ii) that Borrower, or the person from whom the receipt or recovery is made, is insolvent at the time of the receipt or recovery, or at the time of the payment to the Facility Agent, or becomes insolvent as a result of the receipt, or recovery or the payment,
- then the following will apply so that the Financiers have the same rights and obligations as if the money had been paid by that Borrower to the Facility Agent for the account of the Financiers and distributed accordingly:
- (iii) each other Financier will assign to Financier A an amount of the debt owed by that Borrower to that Financier under the Finance Documents equal to the amount received by that Financier under paragraph (a);
 - (iv) Financier A will be entitled to all rights (including interest and voting rights) under the Finance Documents in respect of the debt so assigned; and
 - (v) that assignment will take effect automatically on payment of the distributed amount by the Facility Agent to the other Financier.
- (d) If Financier A is required to disgorge or unwind all or part of the relevant recovery or payment then the other Financiers shall repay to the Facility Agent for the account of Financier A the amount necessary to ensure that all the Financiers share ratably in the amount of the recoveries or payments retained. Paragraphs (b) and (c) above apply only to the retained amount.

20.2 Arrangements with unrelated parties

This clause does not apply to receipts and recoveries by a Financier under arrangements (including credit derivatives and sub-participations) entered into by the Financier in good faith with parties unrelated to the Transaction Parties to cover some or all of its risk.

20.3 Unanticipated default

- (a) The Facility Agent may assume that a party (the *Payer*) due to make a payment for the account of another party (the *Recipient*) makes that payment when due unless the Payer notifies the Facility Agent at least one Business Day before the due date that the Payer will not be making the payment.
- (b) In reliance on that assumption, the Facility Agent may make available to the Recipient on the due date an amount equal to the assumed payment.

- (c) If the Payer does not in fact make the assumed payment, the Recipient shall repay the Facility Agent the amount on demand. The Payer will still remain liable to make the assumed payment, but until the Recipient does repay the amount, the Payer's liability will be to the Facility Agent in the Facility Agent's own right.
- (d) If the Payer is a Transaction Party any interest on the amount of the assumed payment accruing before recovery will belong to the Facility Agent. If the Payer is a Financier that Financier shall pay interest on the amount of the assumed payment at the rate determined by the Facility Agent, in line with its usual practice, for advances of similar duration to financial institutions of the standing of the Financier.

21 Governing law and jurisdiction

- (a) This Agreement is governed by the laws of New South Wales.
- (b) Each Borrower irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of New South Wales.
- (c) Each Borrower irrevocably and unconditionally waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum or those courts not having jurisdiction.
- (d) Each Borrower irrevocably waives any immunity in respect of its obligations under this Agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.
- (e) A Finance Party may take proceedings in connection with the Finance Documents in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

22 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1

Initial Borrowers

Name	ABN/ACN/ARBN	Address and Notice details	
FOXTEL Management Pty Limited (in its own capacity)	65 068 671 938	Address:	5 Thomas Holt Drive, North Ryde NSW 2113
		Attention:	Chief Financial Officer
		Facsimile:	(02) 9813 7606
FOXTEL Finance Pty Limited	151 691 897	Address:	5 Thomas Holt Drive, North Ryde NSW 2113
		Attention:	Chief Financial Officer
		Facsimile:	(02) 9813 7606

Schedule 2**Initial Financiers**

<u>Name and address</u>	<u>ABN/ACN/ARBN</u>	<u>Commitment</u>
Commonwealth Bank of Australia Level 21 Darling Park Tower 1 201 Sussex Street Sydney NSW 2000	48 123 123 124	A\$100,000,000
Australia and New Zealand Banking Group Limited Level 20 252 Pitt Street Sydney NSW 2000 Facsimile: +61 2 8937 7150	11 005 357 522	A\$100,000,000
National Australia Bank Limited Level 18 255 George Street Sydney NSW 2000 Facsimile: + 61 2 9237 1382	12 004 044 937	A\$100,000,000
Westpac Banking Corporation Level 3 Westpac Place 275 Kent Street Sydney NSW 2000	33 007 457 141	A\$100,000,000

Schedule 3

Initial conditions precedent

1 Verification Certificate

A certificate in relation to each Initial Borrower given by two officers of the relevant Initial Borrower, substantially in the form of Annexure C.

2 Finance Documents

- (a) An original of this Agreement duly executed by each Initial Borrower.
- (b) A Finance Party Nomination Letter duly executed by FOXTEL nominating the Facility Agent a *Financier Representative*, each Initial Financier a *Financier* and this Agreement a *Finance Document* for the purposes of the Common Terms Deed Poll.
- (c) A Senior Debt Nomination Letter (as that term is defined in the Subordination Deed) duly executed by FOXTEL nominating each initial Financier a *Senior Lender*, the Facility Agent a *Senior Lender Representative*, this Agreement a *Senior Debt Document* and each Initial Financiers' Commitment as *Senior Commitments* for the purposes of the Subordination Deed.

3 Existing Syndicated Facility Agreement

Evidence that all or part of the first Funding Portion provided under this Agreement will be applied to refinance the Existing Syndicated Facility Agreement so that on the date on which the first Funding Portion is provided, all amounts outstanding under Tranche B of the Existing Syndicated Facility Agreement will be repaid in full and all commitments under Tranche B of the Existing Syndicated Facility Agreement will be cancelled.

4 KYC

Completion of the Finance Parties' "Know Your Customer" checks in respect of each Transaction Party and each Partner and their authorised representatives, and any other person for whom the Finance Parties reasonably believe that an applicable customer identification procedure must be conducted in connection with the Finance Documents and the transactions contemplated by those documents.

5 Legal Opinion

An opinion of Allens, Australian legal advisers to the Initial Borrowers addressed to the Finance Parties concerning the Finance Documents.

6 Fees

Payment of all fees due and payable under the Finance Documents (including each Finance Party's legal costs and expenses in relation to negotiation and preparation of, and entry into, the Finance Documents).

Executed as an agreement.

INITIAL BORROWERS

Signed by **FOXTEL Management Pty Limited** as
an Initial Borrower by:

/s/ Richard Freudenstein
Director

RICHARD FREUDENSTEIN
Print Name

Signed by **FOXTEL Finance Pty Limited** as
an Initial Borrower by:

/s/ Richard Freudenstein
Director

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary

LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary

LYNETTE IRELAND
Print Name

THE INITIAL FINANCIERS

Signed for and on behalf of **Commonwealth
Bank of Australia** by
Jessica Dwyer

its attorney under power of attorney dated
24/6/2013 who declares that she is
DIRECTOR
of Commonwealth Bank of Australia in the presence
of:

/s/ Angela Sutcliffe
Witness Signature

Angela Sutcliffe
Print Name

Signed by
KATE PURBRICK

as attorney for **Australia and New Zealand
Banking Group Limited** under power of attorney
dated
21 JULY 2011

in the presence of:

/s/ Tobias Cooper
Witness Signature

TOBIAS COOPER
Print Name

/s/ Jessica Dwyer
Attorney Signature

/s/ Kate Purbrick
Attorney Signature

Signed by Joanins Hattios

as attorney for **National Australia Bank Limited**
under power of attorney dated

1 March 2007

in the presence of:

/s/ Tobias Cooper

Witness Signature

/s/ Joanins Hattios

Attorney Signature

TOBIAS COOPER

Print Name

Signed by Dean O'Neill
 Tier Three Attorney

as attorney for **Westpac Banking Corporation** under
power of attorney dated 17 January 2001 in the
presence of:

/s/ Jake Muspratt
Witness Signature

/s/ Dean O'Neill
Attorney Signature

Jake Muspratt
Print Name

THE AGENT

Signed for and on behalf of **Commonwealth Bank of Australia** by

STEVEN FURLONG

its attorney under power of attorney dated 24 June 2013 who declares that he is DIRECTOR of Commonwealth Bank of Australia in the presence of:

/s/ Tobias Cooper

Witness Signature

/s/ Steven Furlong

Attorney Signature

TOBIAS COOPER

Print Name

Annexure A

Borrower Assumption Letter

TO: Commonwealth Bank of Australia (as *Facility Agent*)

From: *[New Borrower]*

Dated: *[*]*

Dear Sirs

Re: Syndicated revolving facility agreement (**Facility Agreement**) dated on or about *[*]* 2015 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

1. We refer to the Facility Agreement. This is a Borrower Assumption Letter. Terms used in the Facility Agreement have the same meaning in this Borrower Assumption Letter unless given a different meaning in this Borrower Assumption Letter.
2. *[New Borrower]* agrees to become a party to the Facility Agreement as a New Borrower and to be bound by the terms of the Facility Agreement as a Borrower.
3. *[New Borrower]* acknowledges having received a copy of and approved the Facility Agreement together with all other documents and information it requires in connection with the Facility Agreement before signing this letter.
4. This letter is governed by New South Wales law.

[If the New Borrower is signing under a Power of Attorney] [each attorney executing this letter states that he or she has no notice of revocation or suspension of his or her power of attorney.]

[Insert execution clause for New Borrower]

Annexure B

Funding Notice

To: Commonwealth Bank of Australia (*Facility Agent*)

We refer to the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2015 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Expressions defined in the Facility Agreement have the same meaning when used in this Funding Notice.

Under clause 5.1 of the Facility Agreement:

- (a) We give you notice that we wish to draw on [*insert Funding Date*] (*Funding Date*).
- (b) The aggregate amount to be drawn is A\$[*].
- (c) Particulars of each Funding Portion are as follows:

<u>Amount</u>	<u>Interest Period</u>
[*]	[*]

- (d) The proceeds of each Funding Portion are to be used in accordance with clause 3 of the Facility Agreement.
- (e) [Except as disclosed in paragraph (f)] each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this Funding Notice.
- (f) [Details of the exception to paragraph (e) are as follows: [*]]
- (g) We represent and warrant that no [Default]/[Event of Default] is continuing or will result from the provision of the Funding Portions referred to in this Funding Notice.

Date:

Signed for and on behalf of **[insert name of Borrower]** by

Officer

Name (please print)

Annexure C

Verification Certificate

Note: To be signed by two officers of the relevant company.

TO: Commonwealth Bank of Australia (as *Facility Agent*)

Syndicated Revolving Facility for FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited

We are [two directors]/[a director and the secretary] of [*] (the **Company**).

We refer to the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2015 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Definitions in the Facility Agreement apply in this Certificate.

Attached are true, up-to-date and complete copies of the following.

- (a) [A power of attorney under which the Company executed any Finance Document to which it is expressed to be a party relating to the above facility. That power of attorney has not been revoked by the Company and remains in full force and effect.]
- (b) Extracts of minutes of a meeting of the directors of the Company authorising execution of any Finance Document to which it is expressed to be a party relating to the above facility.
- (c) A certificate of incorporation and constituent documents for the Company, if they are not already held by the Facility Agent.

If any of the documents in paragraph (c) are already held by the Facility Agent, we confirm [they are complete and up-to-date|the attached amendments are all subsequent amendments to them].

Below are the specimen signatures of all those authorised to give drawdown and other notices for the Company (each an *Officer*):

<u>Name</u>	<u>Signature</u>	<u>Date of birth</u>
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]

By completing and signing an entry on the above list, each Officer acknowledges that:

- each Financier may verify the identity of each Officer and carry out any “know your customer” check (or similar requirement) in respect of each Officer to each Financier’s satisfaction; and
- the Officer has read and agrees with each Privacy Statement, which describes the manner in which their personal information may be collected, used and disclosed by a Financier.

The Company is solvent.

Director

[Director]/[Secretary]

Annexure D

Substitution Certificate

This Agreement is made on [] between the following parties:

1. []
 ABN []
(Retiring Financier)
2. []
 ABN []
(Substitute Financier)
3. **Commonwealth Bank of Australia**
 ABN 48 123 123 124
(Facility Agent)

1 Interpretation

1.1 Incorporated definitions

A word or phrase defined in the Facility Agreement has the same meaning when used in this Agreement.

1.2 Definitions

In this Agreement:

Facility Agreement means the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2015 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Substituted Commitment means the Commitment of the Retiring Financier and the participation in the Principal Outstanding drawn under that Commitment in respect of the following Funding Portions:

Date	Interest Period	Amount of Participation
[*]	[*]	[*]

amounting to a principal amount of A\$[*].

Substitution Date means [*].

1.3 Interpretation

- (a) Clause 1 of the Facility Agreement applies to this Agreement as if set out in full in this Agreement.
- (b) A reference in this Agreement to ‘identical’ rights or obligations is a reference to rights or obligations substantially identical in character to those rights or obligations rather than identical as to the person entitled to them or obliged to perform them.

1.4 Capacity

- (a) The Facility Agent enters into this Agreement for itself and as agent for each of the parties to the Facility Agreement (other than the Retiring Financier).

2 Substitution

2.1 Effect of substitution

With effect on and from the Substitution Date:

- (a) no party to the Finance Documents has any further obligation to the Retiring Financier in relation to the Substituted Commitment;
- (b) the Retiring Financier is released from and has no further rights or obligations to a party to the Finance Documents in relation to the Substituted Commitment and any Finance Document to that extent;
- (c) the Facility Agent grants to the Substitute Financier rights which are identical to the rights which the Retiring Financier had in respect of the Substituted Commitment and any Finance Document to that extent; and
- (d) the Substitute Financier assumes obligations towards each of the parties to the Finance Documents which are identical to the obligations which the Retiring Financier was required to perform in respect of the Substituted Commitment before the acknowledgment set out in 2.1(b).

2.2 Substitute Financier a Financier

With effect on and from the Substitution Date:

- (a) the Substitute Financier is taken to be a party to the Finance Documents with a Commitment equal to the Substituted Commitment and the Facility Agreement is amended accordingly; and
- (b) a reference in the Common Terms Deed Poll and Facility Agreement to 'Financier' includes a reference to the Substitute Financier.

2.3 Preservation of accrued rights

- (a) The Retiring Financier and all other parties to the Finance Documents remain entitled to and bound by their respective rights and obligations in respect of the Substituted Commitment and any of their other rights and obligations under the Finance Documents which have accrued up to the Substitution Date.

3 Acknowledgments

3.1 Copies of documents

The Substitute Financier acknowledges that it has received a copy of the Common Terms Deed Poll and the Facility Agreement and all other information which it has requested in connection with those documents.

3.2 Acknowledgment

The Substitute Financier acknowledges and agrees as specified in clause 17.13 of the Facility Agreement, which applies as if references to the Facility Agent included the Retiring Financier and references to any Finance Document included this Agreement.

4 Payments

4.1 Payments by Facility Agent

With effect on and from the Substitution Date, the Facility Agent must make all payments due under the Finance Documents in connection with the Substituted Commitment to the Substitute Financier, without having any further responsibility to the Retiring Financier in respect of the same.

4.2 As between Financiers

The Retiring Financier and the Substitute Financier must make directly between themselves the payments and adjustments which they agree with respect to accrued interest, fees, costs and other rights or other amounts attributable to the Substituted Commitment which accrue before the Substitution Date.

5 Outstanding Liquidity Bills

The Substitute Financier indemnifies the Retiring Financier against any Loss which the Retiring Financier suffers, incurs or is liable for as acceptor, endorser or discounter of any outstanding Liquidity Bills prepared by the Retiring Financier in relation to the Substituted Commitment.

6 Warranty

Each of the Retiring Financier and the Substitute Financier represent and warrant to the other parties that the requirements of clause 16 of the Facility Agreement have been complied with in relation to the Substituted Commitment.

7 Details of Substitute Financier

The Lending Office and its notice details for correspondence of the Substitute Financier is as follows:

Address: [*];
Attention: [*]; and
Facsimile: [*].

8 General

Clause 15 of the Common Terms Deed Poll applies to this Agreement as if it were set out in full in this Agreement.

9 Attorneys

Each of the attorneys executing this Agreement states that the attorney has no notice of revocation of that attorney's power of attorney.

Executed as an agreement

Retiring Financier:

Signed for [] by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Substitute Financier:

Signed for [] by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Facility Agent:

Signed for **Commonwealth Bank of Australia** by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name



FOXTEL Management Pty Limited
FOXTEL Finance Pty Limited
Each Initial Financier named in Schedule 2
Commonwealth Bank of Australia as Facility Agent
Syndicated Revolving Facility Agreement

The Allens contact for this document is Alan Maxton

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.allens.com.au

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This Agreement is made on 12 September 2016

Parties

- 1 Each person named in Schedule 1 (each an *Initial Borrower*);
- 2 Each bank or financial institution named in Schedule 2 (each an *Initial Financier*); and
- 3 Commonwealth Bank of Australia ABN 48 123 123 124 of Level 22, 201 Sussex Street, Darling Park Tower, Sydney, NSW, 2000 (the *Facility Agent*).

Recitals

The Initial Borrowers have requested the Financiers to provide a facility under which cash advances of up to a maximum of A\$400,000,000 may be made available to the Borrowers.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

In this Agreement:

Availability Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) one month prior to the Maturity Date; or
- (b) the date on which the Commitment is cancelled in full.

Base Rate for a period means the higher of zero and the following rate determined as of 10.30am (Sydney time) on the first day of that period and for a period equivalent (in the opinion of the Facility Agent, without the need for instructions) to the Interest Period:

- (a) the Screen Rate; or
- (b) if no Screen Rate is available for that period and:
 - (i) the Interest Period is longer than the minimum period for which a Screen Rate is available, the Interpolated Screen Rate for that period; or
 - (ii) it is not possible to calculate an Interpolated Screen Rate for that period,

then the Base Rate will be the rate determined by the Facility Agent to be the arithmetic mean of the buying rates quoted to the Facility Agent by three Reference Banks at or about 10.30am (Sydney time) on the first day of that period provided that, and subject to clause 9, if a Reference Bank does not supply a quotation by the time specified, the applicable Base Rate shall be determined on the basis of the quotations of the remaining Reference Banks. The buying rates must be for bills of exchange accepted by leading Australian banks and which have a term closest to the period.

Rates will be expressed as a yield percent per annum to maturity, and if necessary will be rounded to the nearest fourth decimal place.

Borrower means each Initial Borrower or a New Borrower.

Borrower Assumption Letter means a letter substantially in the form of Annexure A.

Break Costs means, in relation to a Financier, the amount determined by that Financier as being incurred by reason of the liquidation or re-employment of deposits or other funds acquired or

contracted for, or allocated by the Financier to fund or maintain its commitments under the Finance Documents or the termination or repricing of any interest rate or currency swap or other hedging arrangement (including an internal arrangement) entered into by the Financier in connection with the liquidation or re-employment of those deposits or other funds.

Code means the US Internal Revenue Code of 1986.

Commitment means, in relation to a Financier, the amount specified opposite the relevant Financier's name in Schedule 2 as reduced or cancelled under this Agreement.

Common Terms Deed Poll means the common terms deed poll dated 10 April 2012 given by FOXTEL Management Pty Limited, the parties listed in Schedule 1 to that document and others in favour of the Finance Parties (as defined therein).

Existing Commitment Allocation means, in relation to a Financier, that Financier's unused and drawn commitment under Tranche C of the Existing Syndicated Facility Agreement.

Existing Syndicated Facility Agreement means the Syndicated Facility Agreement between the Initial Borrowers and others dated 10 April 2012 (as amended from time to time).

Exposure means, in respect of a Financier, the aggregate Principal Outstanding in respect of that Financier under the Facility at that time.

Facility means the A\$400,000,000 revolving cash advance facility made available to the Borrowers under this Agreement.

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or
- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2019, or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a party that is entitled to receive payments free from any FATCA Deduction.

Finance Document means:

- (a) this Agreement;
- (b) any Swap Agreement to which a Financier is a counterparty;
- (c) the Common Terms Deed Poll;
- (d) any Guarantee Assumption Deed Poll;
- (e) any Borrower Assumption Letter;
- (f) any Substitution Certificate;
- (g) any Subordination Deed;
- (h) any document under which a Transaction Facility is provided; or
- (i) any other document or agreement agreed in writing to be a Finance Document for the purposes of this Agreement by FOXTEL and the Facility Agent,

or any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any of the above.

Finance Party means:

- (a) the Facility Agent; or
- (b) any Financier.

Financial Close means the date on which the Facility Agent has issued a notice specifying that all conditions precedent referred to in clause 2.1 have been satisfied or waived.

Financier means:

- (a) any Initial Financier; or
- (b) any Substitute Financier,

unless they have ceased to be a Financier in accordance with this Agreement.

Funding Date means the date on which a Funding Portion is provided or redrawn, or is to be provided or redrawn, to or by a Borrower under this Agreement.

Funding Notice means a notice in the form of Annexure B.

Funding Portion means each portion of the Commitments provided under this Agreement which has the same Funding Date and Interest Period.

Funding Rate means, in respect of an Interest Period, the aggregate of:

- (a) the Base Rate for that Interest Period; and
- (b) the Margin.

Interest Payment Date means the last day of each Interest Period.

Interest Period means a period determined under clause 5.6.

Interpolated Screen Rate means in relation to the Base Rate, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period.

Lending Office means, in respect of a Financier, the office of that Financier set out with its name in Schedule 2, or any other office notified by the Financier under this Agreement.

Liquidity Bill means a Bill drawn under clause 12.

Majority Financiers means Financiers whose aggregate Exposure is more than two thirds of the Total Exposure.

Margin means at any time the rate calculated in accordance with clause 7.4.

Market Disruption Event means:

- (a) at or about noon on the first day of the Interest Period, the Screen Rate is not available and none or only one of the Reference Banks provides a rate to the Facility Agent to determine the Base Rate for the relevant Interest Period (in which case each Financier participating in the relevant Funding Portion will be an **Affected Financier**); or
- (b) before 5.00 pm (Sydney time) on the Business Day after the first day of the relevant Interest Period, the Facility Agent receives notifications in good faith from Financiers whose participation in the relevant drawdown is, or will be, equal to or greater than 33% of the principal amount under the drawdown, that as a result of market circumstances not limited to it, the cost of obtaining matching deposits in the Australian bank bill market to those Financiers would be in excess of the Base Rate or it is unable to obtain matching deposits in the Australian bank bill market (in which case an **Affected Financier** will be a Financier which gives such a notice).

Maturity Date means the date falling five years from Financial Close.

Net Commitment means, in relation to a Financier, that Financier's Undrawn Commitment minus that Financier's Existing Commitment Allocation (if any).

New Borrower means any Guarantor incorporated in Australia which accedes to this Agreement as a Borrower in accordance with clause 16.7.

Principal Outstanding means, at any time, the aggregate principal amount of all outstanding Funding Portions under the Facility at that time.

Privacy Statement means each privacy statement of a Financier provided to FOXTEL on or prior to the date of this Agreement.

Pro Rata Share of a Financier, in respect of a Funding Portion, means the proportion of that Financier's participation in that Funding Portion to the amount of that Funding Portion. That proportion will be determined under clause 4.2.

Reference Bank means:

- (a) Commonwealth Bank of Australia;
- (b) Westpac Banking Corporation;
- (c) Australia and New Zealand Banking Group Limited; or
- (d) National Australia Bank Limited, or such other person as the Facility Agent and FOXTEL may agree.

Retiring Financier means a Financier who has assigned or transferred any of its rights or obligations under clause 16 and who is a party to a Substitution Certificate.

Screen Rate means the average bid rate displayed at or about 10.15am (Sydney time) on the first day of the relevant period on the Reuters screen BBSY page for a term closest to the relevant period.

If the agreed page is replaced, the service ceases to be available, or the basis on which that rate is calculated or displayed is changed and the Majority Financiers instruct the Facility Agent (after consultation by the Facility Agent with FOXTEL) that in their opinion it ceases to reflect the Financiers' cost of funding to the same extent as at the date of this Agreement, the Facility Agent on the instructions of the Majority Financiers may specify another page or service displaying the appropriate rate after consultation by the Facility Agent with FOXTEL.

Substitute Financier means the person substituted by a Financier under clause 16.4.

Substitution Certificate means a certificate substantially in the form of Annexure D.

Total Exposure means, at any time, the aggregate Exposure of all Financiers at that time.

Total Undrawn Commitments means, at any time, the aggregate of the Undrawn Commitments of all Financiers at that time.

Transaction Facility means any facility provided by a Finance Party to any one or more of the Transaction Parties.

Undrawn Commitment means, in respect of a Financier at any time, the Commitment of that Financier at that time less the Principal Outstanding provided by that Financier at that time.

US Tax Obligor means:

- (a) a Borrower which is resident for tax purposes in the United States of America; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

1.2 Incorporated definitions

Unless expressly defined in this Agreement, capitalised terms defined in the Common Terms Deed Poll have the same meaning in this Agreement.

1.3 Common Terms Deed Poll

- (a) This Agreement and the rights and obligations of the parties to it are subject to the terms and conditions of the Common Terms Deed Poll which are deemed to be incorporated in full into this Agreement as if expressly set out in this Agreement (with the necessary changes).
- (b) Each Finance Document is a **Finance Document** for the purposes of the Common Terms Deed Poll.

2 Conditions precedent

2.1 Initial conditions precedent

The right of a Borrower to give the first Funding Notice and the obligations of each Financier under this Agreement are subject to the condition precedent that the Facility Agent receives all of the items described in Schedule 3 on or before 30 September 2016 in form and substance satisfactory to the Facility Agent (acting on the instructions of all Financiers). The Facility Agent shall notify the Borrowers and the Financiers promptly upon being so satisfied.

2.2 Conditions precedent to all Funding Portions

The right of a Borrower to give a Funding Notice and the obligations of each Financier to make available financial accommodation under this Agreement are subject to the further conditions precedent that as at the date of the relevant Funding Notice and relevant Funding Date:

- (a) **representations and warranties:** each representation and warranty given under a Finance Document is true and correct in all material respects, and is not misleading in any material respect as though they had been made in respect of the facts and circumstances then subsisting; and
- (b) **no Default:** no Event of Default or, except in relation to a rollover of an existing drawing, Potential Event of Default, is continuing or will result from the Funding Portion being provided.

3 Purpose

Each Borrower shall use the net proceeds of all accommodation provided under the Facility to:

- (a) refinance Tranche C of the Existing Syndicated Facility Agreement; and
- (b) fund the general working capital and corporate requirements of the FOXTEL Group.

4 Commitments

4.1 Commitment

- (a) Subject to this Agreement, whenever a Borrower requests a Funding Portion in a Funding Notice, each Financier shall provide its Pro Rata Share of that Funding Portion to the Facility Agent in Same Day Funds in Dollars by 12 noon on the relevant Funding Date for the account of that Borrower, except to the extent the Funding Portion continues a previous Funding Portion. Unless otherwise agreed between FOXTEL and the Facility Agent (acting in its own capacity), on receipt the Facility Agent shall pay it to the following account:

Name: Foxtel Management - Main Account

Bank: CBA

BSB: 064000

Account: 10659223

or to such account with a bank in Sydney in the Borrower's name as the Borrower may notify to the Facility Agent by not less than three Business Days' notice. Any such notice must be signed by two Officers.

- (b) A Financier is not obliged to make available its Pro Rata Share in a Funding Portion if as a result its participation in all outstanding Funding Portions would exceed its Commitment.

4.2 Allocation among Financiers

Each Financier shall participate in each Funding Portion rateably according to its Commitment.

4.3 Obligations several

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Finance Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from a Borrower is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Funding Portion or any other amount owed by a Borrower which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by that Borrower.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

5 Funding and rate setting procedures

5.1 Delivery of a Funding Notice

- (a) If a Borrower requires the provision of a Funding Portion, it must deliver a Funding Notice to the Facility Agent.
- (b) The Facility Agent must notify each Financier of:
 - (i) the contents of each Funding Notice; and
 - (ii) the amount of that Financier's Pro Rata Share of the Funding Portion requested,as soon as reasonably practicable and in any event within 1 Business Day after the Facility Agent receives a Funding Notice under clause 5.1(a).

5.2 Requirements for a Funding Notice

A Funding Notice to be effective must be:

- (a) in writing in the form of, and specifying the matters required in, Annexure B; and
- (b) received by the Facility Agent before 11.00 am on a Business Day at least 3 Business Days before the proposed Funding Date (or any shorter period that the Facility Agent agrees in writing).

5.3 Irrevocability of Funding Notice

A Borrower is irrevocably committed to draw Funding Portions from the Financiers in accordance with each Funding Notice issued by it.

5.4 Number of Funding Portions

The Borrowers shall ensure that there are no more than 12 Funding Portions outstanding at any time.

5.5 Amount of Funding Portions

The Borrowers shall ensure that each Funding Portion is:

- (a) a minimum of A\$10,000,000 and an integral multiple of A\$5,000,000; or
- (b) equal to the Total Undrawn Commitments.

5.6 Selection of Interest Periods

- (a) Each Borrower must select the Interest Period which is to apply to a Funding Portion requested by it in the Funding Notice delivered for that Funding Portion.
- (b) Each Interest Period must be of 1, 2, 3, 4, 5 or 6 months or any other period that the Facility Agent agrees with the relevant Borrower.

- (c) If an Interest Period ends on a day which is not a Business Day, it is regarded as ending on the next Business Day in the same calendar month or, if none, the preceding Business Day.
- (d) An Interest Period for a Funding Portion commences either on the first Funding Date for that Funding Portion or on the last day of the immediately preceding Interest Period for that Funding Portion.
- (e) No Interest Period may end after the Maturity Date.
- (f) If a Borrower:
 - (i) fails to select an Interest Period for a Funding Portion under clause 5.6(a); or
 - (ii) selects an Interest Period in a manner which does not comply with this clause 5.6,then the Facility Agent may vary any Funding Notice to ensure compliance.
- (g) If a Borrower fails to give a Funding Notice in accordance with this clause 5 in respect of a Funding Portion which is to be continued by the provision of a new Funding Portion on the last day of its Interest Period, it will be taken to have given a Funding Notice electing to redraw that Funding Portion for the same Interest Period as the previous Interest Period.

5.7 Consolidation of Funding Portions

If two or more Funding Portions have Interest Periods which are of the same duration, then those Funding Portions will be consolidated into, and treated as, a single Funding Portion.

5.8 Determination of Funding Rate

- (a) The Facility Agent must notify each Financier and each Borrower of the Funding Rate for an Interest Period promptly, and in any event within 2 Business Days, after it has made its determination of the applicable Base Rate.
- (b) In the absence of manifest error, each determination of the Base Rate by the Facility Agent is conclusive evidence of that rate against the Borrowers.

6 Cancellation of Commitment and Prepayments

6.1 Cancellation of Commitments during the Availability Period

- (a) A Borrower may cancel all or part of the Total Undrawn Commitments by giving the Facility Agent at least 3 Business Days notice.
- (b) A partial cancellation of the Total Undrawn Commitments may only be made in a minimum amount of A\$10,000,000 and in an integral multiple of A\$1,000,000.
- (c) The Commitment of a Financier is cancelled rateably in accordance with the proportion its Undrawn Commitment bears to the Total Undrawn Commitments cancelled.

6.2 Cancellation at end of Availability Period

At 5.00 pm (Sydney time) on the last day of the Availability Period, the Undrawn Commitment of the Financiers will be cancelled.

6.3 Voluntary Prepayment

- (a) A Borrower may prepay all or part of the Principal Outstanding by giving the Facility Agent at least 3 Business Days notice. That notice is irrevocable. The Borrower shall prepay in accordance with it.
- (b) A prepayment of part only of the Principal Outstanding must be for a minimum of A\$5,000,000 and in an integral multiple of A\$1,000,000.
- (c) Any amount prepaid under this clause may be redrawn.

6.4 General provisions regarding prepayment and cancellation

- (a) A Borrower may make a prepayment under clause 6.3 only on a Business Day.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except that the relevant Borrower will be liable for any Break Costs arising as a consequence of the prepayment of all or any part of a Funding Portion other than on the last day of its Interest Period.
- (c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (d) Prepayment of an amount under this clause will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding being prepaid.

7 Interest and Margin

7.1 Interest rate

Interest accrues from day to day on the outstanding principal amount of each Funding Portion at the rate per annum determined by the Facility Agent to be the Funding Rate for the relevant Interest Period.

7.2 Basis of Calculation of Interest

Interest will be calculated on the basis of a 365 day year and for the actual number of days elapsed from and including the first day of each Interest Period to (but excluding) the last day of the Interest Period or, if earlier, the date of prepayment or repayment of the Funding Portion in accordance with this Agreement.

7.3 Payment of Interest

Each Borrower shall pay that accrued interest on any Funding Portion made available to it in arrears on each Interest Payment Date.

7.4 Margin

- (a) Initially, the Margin will be 2.10% p.a.; and
- (b) thereafter, the Margin for a Funding Portion will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered after the date of this Agreement under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date.

<u>Total Debt to EBITDA</u>	<u>Margin</u>
above 3.5	2.70%p.a.
above 3.0 but ≤ 3.5	2.40%p.a.
above 2.5 but ≤ 3.0	2.10%p.a.
above 2.25 but ≤ 2.5	1.90%p.a.
above 2.0 but ≤ 2.25	1.80%p.a.
above 1.5 but ≤ 2.0	1.70%p.a.
≤1.5	1.60%p.a.

Any Margin adjustment will take effect on the first day of the next Interest Period for a Funding Portion.

8 Repayment

- (a) Each Borrower shall repay each Funding Portion drawn by it on the last day of its Interest Period except to the extent it has been continued by the provision of a new Funding Portion on that day.
- (b) Amounts repaid under paragraph (a) are available for redrawing in accordance with this Agreement.
- (c) Repayment of a Funding Portion will be applied rateably among the Financiers according to their Pro Rata Share in the Principal Outstanding of the Funding Portion repaid.
- (d) All Funding Portions must be repaid in full on the Maturity Date.

9 Market Disruption

9.1 Market disruption

- (a) If the Facility Agent determines that a Market Disruption Event occurs in relation to a Funding Portion for any Interest Period, then it shall promptly notify FOXTEL and the Financiers, and the rate of interest on each Affected Financier's participations in that Funding Portion for that Interest Period shall be the rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Facility Agent by that Affected Financier as soon as practicable and in any event no later than the Business Day before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Affected Financier of funding its participation in that Funding Portion from whatever source or sources it may reasonably select.
- (b) Each Affected Financier shall determine the rate notified by it under sub-paragraph (a)(ii) above in good faith. The rate so notified and any notification under paragraph (b) of the definition of Market Disruption Event, will be conclusive and binding on the parties in the absence of manifest error.

9.2 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Facility Agent or FOXTEL so requires, the Facility Agent and FOXTEL shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall only apply with the prior consent of all the Financiers and FOXTEL, and then shall be binding on all parties to this Agreement.
- (c) The Facility Agent shall promptly inform FOXTEL and each Financier of any alternative basis agreed under this clause 9.2.

9.3 Agent's role and confidentiality

- (a) The Facility Agent shall promptly notify FOXTEL:
 - (i) on request any rate, or other information notified or specified by a Financier under this clause 9; and
 - (ii) if there is a Market Disruption Event, the identity of any Financier or Financiers giving a notification under paragraph (b) of the definition of Market Disruption Event.
- (b) Each of the Facility Agent and FOXTEL shall keep confidential and not disclose to any other Financier or any other person except the Borrowers, any information relating to a Financier described in paragraph (a) above. The Facility Agent shall ensure that its officers and employees involved in performing its functions as Facility Agent keep that information confidential and do not disclose it or allow it to be available to any other person or office within the Facility Agent.
- (c) However, the Facility Agent, FOXTEL or its officers or employees may disclose such information:
 - (i) to the extent required by any applicable law or regulation; or
 - (ii) to the extent it reasonably deems necessary in connection with any actual or contemplated proceedings or a claim with respect to this clause 9.

10 Anti Money Laundering

- (a) Each Borrower agrees that a Financier may delay, block or refuse to process any transaction without incurring any liability if that Financier suspects that:
 - (i) the transaction may breach any laws or regulations in Australia or any other country binding on that Financier;
 - (ii) the transaction involves any person (natural, corporate or governmental) in a manner that would breach economic and trade sanctions imposed by Australia, the United States, the European Union or any country binding on that Financier; or
 - (iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country and the transaction would breach or cause that Financier to breach any laws or regulations binding on that Financier.

- (b) Each Borrower must provide all information to each Financier which that Financier reasonably requires in order to manage its anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other country. Each Borrower agrees that a Financier may disclose any information concerning a Borrower or any Transaction Party to any law enforcement, regulatory agency or court where and to the extent required by any such law or regulation or authority in Australia or elsewhere.
- (c) Each Borrower declares and undertakes to each Financier that to the best of its knowledge, information and belief the processing of any transaction by the Financier in accordance with that Borrower's instructions will not breach any laws or regulations in Australia or any other country relevant to the transaction.

11 FATCA

- (a) No additional amount is payable to a Financier under clause 3 (**Payments**), clause 9.1 (**Increased costs**) or clause 12.1 (**Tax**) of the Common Terms Deed Poll, if the obligation to do so is attributable to a FATCA Deduction required to be made by a Transaction Party in respect of the Facility.
- (b) Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction. Despite the terms of the Common Terms Deed Poll, if a Transaction Party is required to make a FATCA Deduction in respect of the Facility, the Transaction Party shall not be required to pay any additional amount in respect of that FATCA Deduction under clause 3 (**Payments**), clause 9.1 (**Increased costs**) or clause 12.1 (**Tax**) of the Common Terms Deed Poll.
- (c) Each party shall promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to whom it is making the payment and, in addition, shall notify FOXTEL, the Facility Agent and the Financiers.
- (d) Subject to paragraph (f) below, each party shall, within ten Business Days of a reasonable request by another party:
 - (i) confirm to that other party whether or not it is a FATCA Exempt Party; and
 - (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable "passthru payment percentage" or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.
- (e) If a party confirms to another party pursuant to paragraph (d)(i) that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.
- (f) Paragraph (d) above shall not oblige any Financier or the Facility Agent to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.

- (g) If a party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (d) above (including where paragraph (f) above applies), then:
- (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
 - (ii) if that party failed to confirm its applicable “passthru payment percentage” then such party shall be treated for the purposes of the Finance Documents (and payments made under them) as if its applicable “passthru payment percentage” is 100%,

until (in each case) such time as the party in question provides the requested confirmation, forms, documentation or other information.

- (h) If a Borrower is a US Tax Obligor, or where the Facility Agent reasonably believes that its obligations under FATCA require it, each Financier shall, within ten Business Days of:
- (i) where a Borrower is a US Tax Obligor and the relevant Financier is an Initial Financier, the date of this Agreement;
 - (ii) where a Borrower is a US Tax Obligor and the relevant Financier is not an Initial Financier, the date of the relevant assignment or transfer;
 - (iii) the date a US Tax Obligor becomes a new Borrower under this Agreement; or
 - (iv) where the Borrower is not a US Tax Obligor, the date of a request from the Facility Agent, supply to the Facility Agent:
 - (v) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); or
 - (vi) any withholding statement and other documentation, authorisations and waivers as the Facility Agent may require to certify or establish the status of such Financier under FATCA.

The Facility Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Financier pursuant to this paragraph (h) to FOXTEL and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (h).

- (i) Each Financier agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Facility Agent pursuant to paragraph (h) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Facility Agent in writing of its legal inability to do so. The Facility Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to FOXTEL. The Facility Agent shall not be liable for any action taken by it under or in connection with this paragraph (i).

12 Liquidity Bills

- (a) Each Borrower irrevocably and for value authorises each Financier, at its option, to prepare Liquidity Bills in respect of a Funding Portion so that:
 - (i) their total face value amount does not exceed the outstanding principal amount of the Financier's share of the Funding Portion (as notified by the Facility Agent under clause 5.1) and total interest payable to the Financier in respect of the Funding Portion; and
 - (ii) their maturity date is not later than the last day of the Interest Period for that Funding Portion, and to sign them as drawer or endorser in the name of and on behalf of a Borrower.
- (b) A Financier may negotiate or deal with any Liquidity Bill prepared by it as it sees fit and for its own benefit.
- (c) A Financier must pay any Tax on or in respect of the Liquidity Bills and any dealing with the Liquidity Bills in respect of that Financier.
- (d) Each Financier indemnifies each Borrower against any Loss which that Borrower suffers, incurs or is liable for in respect of that Borrower being a party to a Liquidity Bill in respect of that Financier.
- (e) Nothing in clause 12(d) affects a Borrower's obligations under this Agreement (including its obligations in relation to the payment of the Principal Outstanding) which are absolute and unconditional obligations and not affected by any actual or contingent liability of any Financier to any Borrower under clause 12(d).
- (f) If a Borrower discharges any Liquidity Bill by payment, the amount of that payment is regarded as applied on the date of payment against the money owing by that Borrower to the Financier who prepared that Liquidity Bill.

13 Fees**13.1 Commitment fee**

- (a) A commitment fee accrues at the rate of 45% of the applicable Margin that would apply in relation to a Funding Portion outstanding on the date the fee is payable on the daily amount of the Net Commitment (if any) of each Financier from the date of this Agreement to (and including) the last date of the Availability Period.
- (b) FOXTEL shall pay (or procure payment of) the accrued commitment fee for the period from the date of this Agreement up to (and including) Financial Close on the earlier of:
 - (i) Financial Close; and
 - (ii) the date on which any Commitment is terminated.
- (c) FOXTEL shall pay (or procure payment of) the accrued commitment fee for the period after Financial Close on the last Business Day of each calendar quarter and at the end of the relevant Availability Period.

13.2 Establishment fee

FOXTEL shall pay (or procure payment) to the Facility Agent for the account of the Initial Financiers the establishment fees as agreed between FOXTEL and the Initial Financiers.

13.3 Agent's fees

FOXTEL shall pay (or procure payment to) the Facility Agent its fees as agreed between FOXTEL and the Facility Agent.

14 Interest on Overdue Amounts**14.1 Accrual**

Except where the relevant Finance Document provides otherwise, interest accrues on each unpaid amount which is due and payable by a Borrower under or in respect of any Finance Document (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at the rate determined by the Facility Agent to be the sum of 2% pa plus the higher of:
 - (i) the rate (if any) applicable to the unpaid amount immediately before the due date; and
 - (ii) the Funding Rate, based on an Interest Period of 30 days.

14.2 Payment

Each Borrower shall pay interest accrued under this clause on demand by the Facility Agent and on the last Business Day of each calendar quarter. That interest is payable in the currency of the unpaid amount on which it accrues.

15 Break Costs

A Borrower must, within 3 Business Days of demand by the Facility Agent, pay (without double counting in respect of amounts paid under clause 11.1(b) of the Common Terms Deed Poll) to the Facility Agent for the account of each Financier its Break Costs attributable to all or any part of a Funding Portion being repaid or prepaid by that Borrower on a day other than the last day of the Interest Period for that Funding Portion.

16 Assignments**16.1 Assignment by Borrowers**

A Borrower may only assign or transfer any of its rights or obligations under this Agreement with the prior written consent of the Facility Agent acting on the instructions of all Financiers.

16.2 Assignment by Financiers

A Financier may assign or transfer all or any of its rights or obligations under the Finance Documents at any time if:

- (a) any necessary prior Authorisation is obtained;
- (b) except if an Event of Default is continuing, in the case of any Financier, its remaining participation (if any) and the participation of the transferee or assignee in the Commitments is not less than A\$25,000,000;
- (c) the transferee or assignee is:
 - (i) a Related Body Corporate of the Financier or another Financier (in which case clause 16.2(b) shall not apply), and FOXTEL has been given prior written notice of the transfer or assignment;

- (ii) a bank or financial institution if:
 - (A) where the transfer complies with clause 16.2(b), FOXTEL has been given prior written notice of the transfer or assignment; or
 - (B) where the transfer does not comply with clause 16.2(b), FOXTEL has given prior written consent, not to be unreasonably withheld, to the transfer or assignment; or
- (iii) any person if an Event of Default is continuing; and
- (d) in the case of a transfer of obligations, the transfer is effected by a substitution under clause 16.4.

16.3 Securitisation

A Financier may, without the consent of any Transaction Party but with prior written notice to FOXTEL, assign, transfer, sub-participate or otherwise deal with all or any part of its rights and benefits under the Finance Documents to a securitisation vehicle so long as the Financier remains the lender of record.

16.4 Substitution certificates

- (a) If a Financier wishes to substitute a new bank or financial institution for all or part of its participation under this Agreement, it and the substitute shall execute and deliver to the Facility Agent 4 counterparts of a certificate substantially in the form of Annexure D together with a registration fee of \$5,000 plus GST (where the substitute is an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth)) or such other amount advised by the Facility Agent from time to time (where the substitute is not an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth))).
- (b) On receipt of the certificate and registration fee, if the Facility Agent is satisfied that the substitution complies with clause 16.2 and the Facility Agent has completed all “know your customer” checks to its satisfaction in relation to the substitution, it shall promptly:
 - (i) notify FOXTEL;
 - (ii) countersign the counterparts on behalf of all other parties to this Agreement;
 - (iii) enter the substitution in a register kept by it (which will be conclusive); and
 - (iv) retain one counterpart and deliver the others to the Retiring Financier, the Substitute Financier and FOXTEL.
- (c) When the certificate is countersigned by the Facility Agent the Retiring Financier will be relieved of its obligations, and the Substitute Financier will be bound by the Finance Documents, as stated in the certificate.
- (d) Each other party to this Agreement irrevocably authorises the Facility Agent to sign each certificate on its behalf.

16.5 Change of Lending Office

A Financier may change its Lending Office if it first notifies and consults with FOXTEL.

16.6 No increased costs

Despite anything to the contrary in this Agreement, if a Financier assigns its rights under this Agreement or changes its Lending Office, a Borrower will not be required to pay any net increase in the total amount of costs, Taxes, fees or charges which is a direct result of the assignment or change and of which that Financier or its assignee was aware or ought reasonably to have been aware on the date of the assignment or change. For this purpose only, a substitution under clause 16.4 will be regarded as an assignment.

16.7 New Borrower

Any Guarantor incorporated in Australia may become a Borrower if the Facility Agent has received the following in form and substance satisfactory to it:

- (a) **(verification certificate)** a certificate in relation to that Guarantor given by two officers of that Guarantor substantially in the form of Annexure C;
- (b) **(completed documents)** a Borrower Assumption Letter duly executed by that Guarantor;
- (c) **(know your customer)** evidence of receipt of all “know your customer” documentation which is reasonably required by the Facility Agent to permit each Financier to carry out all necessary “know your customer” or other similar checks under all applicable anti-money laundering laws and regulations; and
- (d) **(legal opinion)** an opinion of legal advisers to FOXTEL.

17 Relations between Facility Agent and Financiers

17.1 Appointment of Facility Agent

Each Financier appoints the Facility Agent to act as its agent under the Finance Documents and authorises the Facility Agent to do the following on its behalf:

- (a) amend or waive compliance with any provision of the Finance Documents in accordance with the Finance Documents (including clause 17.5);
- (b) all things which the Finance Documents expressly require the Facility Agent to do, or contemplate are to be done by the Facility Agent, on behalf of the Financiers; and
- (c) all things which are incidental or ancillary to the Powers of the Facility Agent described in clauses 17.1(a) or 17.1(b).

17.2 Facility Agent’s capacity

The Facility Agent:

- (a) in its capacity as a Financier, has the same obligations and Powers under each Finance Document as any other Financier as though it were not acting as the Facility Agent; and
- (b) may engage in any kind of banking or other business with any Transaction Party without having to notify or account to the Financiers.

17.3 Facility Agent’s obligations

- (a) The Facility Agent has only those duties and obligations which are expressly specified in the Finance Documents.
- (b) The Facility Agent is not required to:
 - (i) keep itself informed as to the affairs of any Transaction Party or its compliance with any Finance Document; or
 - (ii) review or check the accuracy or completeness of any document or information it forwards to any Financier or other person.

17.4 Facility Agent's powers

- (a) Except as specifically set out in the Finance Documents (including clause 17.5), the Facility Agent may exercise its Powers under the Finance Documents:
 - (i) as it thinks fit in the best interests of the Financiers; and
 - (ii) without consulting with or seeking the instructions of the Financiers.
- (b) The exercise by the Facility Agent of any Power in accordance with this clause 17 binds all the Financiers.

17.5 Instructions to Facility Agent

The Facility Agent:

- (a) must exercise its Powers in accordance with any instructions given to it by the Majority Financiers or, if specifically required to do so under a Finance Document, all Financiers;
- (b) must not:
 - (i) amend any provision of a Finance Document which has the effect of:
 - (A) increasing the obligations of any Financier; or
 - (B) changing the terms of payment of any amounts payable under the Finance Documents to any Financier; or
 - (C) changing the manner in which those payments are to be applied; or
 - (D) changing the definition of Majority Financiers; or
 - (E) changing this clause 17.5,in each case without the consent of all of the Financiers;
 - (ii) amend any other provision of any Finance Document without the consent of the Majority Financiers unless the Facility Agent is satisfied that the amendment is made to correct a manifest error or an error of a formal or technical nature only; or
 - (iii) otherwise exercise any Power which the Finance Documents specify are to be exercised with the consent or in accordance with the instructions of all Financiers or the Majority Financiers or some other number of Financiers, or amend any such requirement, except with that consent or in accordance with those instructions; and
- (c) may refrain from acting, whether in accordance with the instructions of the Financiers, the Majority Financiers or otherwise, until it has received security for any amount it reasonably believes may become payable to it by the Financiers under clause 17.12.

17.6 Assumptions as to authority

Each Transaction Party may assume, without inquiry, that any action of the Facility Agent under the Finance Documents is in accordance with any required authorisations, consents or instructions from the Financiers or the Majority Financiers (as the case may be).

17.7 Facility Agent's liability

Neither the Facility Agent nor any Related Body Corporate of the Facility Agent nor any of their respective directors, officers, employees, agents or successors is responsible to the Financiers or a Transaction Party for:

- (a) any recitals, statements, representations or warranties contained in any Finance Document, or in any certificate or other document referred to or provided for in, or received by any of them under, any Finance Document;

- (b) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Finance Document (other than as against the Facility Agent) or any other certificate or document referred to or provided for in, or received by any of them under, any Finance Document;
- (c) any failure by a Transaction Party or any Financier to perform its obligations under any Finance Document; or
- (d) any action taken or omitted to be taken by it or them under any Finance Document or in connection with any Finance Document except in the case of its or their own fraud or wilful misconduct or gross negligence.

17.8 Delegation

The Facility Agent may employ agents and attorneys but will continue to be liable for the acts or omissions of such agents and attorneys.

17.9 Distribution by Facility Agent

Unless any Finance Document expressly provides otherwise, the Facility Agent shall promptly distribute amounts received under any Finance Document firstly to itself for all amounts due to it in its capacity as Facility Agent, then for the account of the Financiers rateably among them according to their Commitments. To make any distribution the Facility Agent may buy and sell currencies in accordance with its normal procedures.

17.10 Facility Agent entitled to rely

The Facility Agent may rely on:

- (a) any certificate, communication, notice or other document (including any facsimile transmission or telegram) it believes to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons; and
- (b) advice and statements of solicitors, independent accountants and other experts selected by the Facility Agent with reasonable care.

17.11 Provision of information

- (a) The Facility Agent must forward to each Financier:
 - (i) notice of the occurrence of any Default promptly after the Facility Agent becomes actually aware of it;
 - (ii) a copy of each report, notice or other document which is intended for redistribution promptly after the Facility Agent receives it from a Transaction Party under any Finance Document; and
 - (iii) a copy of each notice or other document that the Facility Agent considers material, promptly after the Facility Agent delivers it to a Transaction Party under any Finance Document.
- (b) The Facility Agent is not to be regarded as being actually aware of the occurrence of a Default unless the Facility Agent:
 - (i) is actually aware that any payment due by a Transaction Party under the Finance Documents has not been made; or
 - (ii) has received notice from a Financier or a Transaction Party stating that a Default has occurred describing the same and stating that the notice is a '*Default Notice*'.

- (c) Without limiting clause 1.2(r)(ii) of the Common Terms Deed Poll, if the Facility Agent receives a Default Notice, the Facility Agent may treat any such Default as continuing until it has received a further Default Notice from the party giving the original notice stating that the Default is no longer continuing and the Facility Agent is entitled to rely on such second notice for all purposes under the Finance Documents.
- (d) The Facility Agent is not to be regarded as having received any report, notice or other document or information unless it has been given to it in accordance with clause 15.1 of the Common Terms Deed Poll.
- (e) Except as specified in clause 17.11(a) and as otherwise expressly required by the Finance Documents, the Facility Agent has no duty or responsibility to provide any Financier with any information concerning the affairs of any Transaction Party or other person which may come into the Facility Agent's possession.
- (f) Nothing in any Finance Document obliges the Facility Agent to disclose any information relating to any Transaction Party or other person if the disclosure would constitute a breach of any law, duty of secrecy or duty of confidentiality.

17.12 Indemnity by Financiers

The Financiers severally indemnify the Facility Agent (to the extent not reimbursed by any Transaction Party) in their Pro Rata Shares against any Loss which the Facility Agent pays, suffers, incurs or is liable for in acting as Facility Agent, and must pay such amount within 2 Business Days after demand, except to the extent such Loss is attributable to the Facility Agent's fraud, wilful misconduct or gross negligence.

17.13 Independent appraisal by Financiers

Each Financier acknowledges that it has made and must continue to make, independently and without reliance on the Facility Agent or any other Financier, and based on the documents and information it considers appropriate, its own investigation into and appraisal of:

- (a) the affairs of each Transaction Party;
- (b) the accuracy and sufficiency of any information on which it has relied in connection with its entry into the Finance Documents; and
- (c) the legality, validity, effectiveness, enforceability and sufficiency of each Finance Document.

17.14 Resignation and removal of Facility Agent

- (a) The Facility Agent may, by at least 10 Business Days notice to FOXTEL and the Financiers, resign at any time and the Majority Financiers may, by at least 10 Business Days notice to FOXTEL and the Facility Agent, remove the Facility Agent from office. The resignation or removal of the Facility Agent takes effect on appointment of a successor Facility Agent in accordance with this clause 17.14.
- (b) When a notice of resignation or removal is given, the Majority Financiers (after consulting with FOXTEL) may appoint a successor Facility Agent. If FOXTEL does not agree to the successor Facility Agent nominated by the Majority Financiers, then the Financiers and FOXTEL shall negotiate in good faith for a period of 10 Business Days and if there is still no agreement upon the expiry of that period, the decision of the Majority Financiers will prevail. If no successor Facility Agent is appointed within 20 Business Days, the Facility Agent may appoint a successor Facility Agent.

- (c) When a successor Facility Agent is appointed, and executes an undertaking to be bound as successor Facility Agent under the Finance Documents, the successor Facility Agent succeeds to and becomes vested with all the Powers and duties of the retiring Facility Agent, and the retiring Facility Agent is discharged from its duties and obligations under the Finance Documents.
- (d) After any retiring Facility Agent's resignation or removal, this Agreement continues in effect in respect of any actions which the Facility Agent took or omitted to take while acting as the Facility Agent.
- (e) The Facility Agent shall resign in accordance with paragraph (a) above (and, to the extent applicable), shall use reasonable endeavours to appoint a successor Facility Agent if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:
 - (i) the Facility Agent fails to respond to a request under clause 11 and FOXTEL or a Financier reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Facility Agent pursuant to clause 11 indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Facility Agent notifies FOXTEL and the Financiers that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) FOXTEL or a Financier reasonably believes that a party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and FOXTEL or that Financier, by notice to the Facility Agent, requires it to resign.

17.15 Institution of actions by Financiers

- (a) A Financier must not institute any legal proceedings against a Transaction Party to recover amounts owing to it under the Finance Documents, without giving the Facility Agent and each other Financier a reasonable opportunity to join in the proceedings or agree to share the costs of the proceedings.
- (b) If a Financier does not join in an action against a Transaction Party or does not agree to share in the costs of the action (having been given a reasonable opportunity to do so by the Financier bringing the action), it is not entitled to share in any amount recovered by the action until all the Financiers who did join in the action or agree to share the costs of the action have received in full all money payable to them under the Finance Documents.

17.16 Identity of Financiers

The Facility Agent may treat each Financier as the absolute legal and beneficial holder of its rights under the Finance Documents for all purposes, despite any notice to the contrary, unless otherwise required by law.

17.17 Address for notices to the Facility Agent

The Facility Agent's address, fax number and email address is those set out below, or as the Facility Agent notifies the sender:

Address: Level 22, Darling Park Tower 1, 201 Sussex Street, Sydney NSW 2000

Email address: agencygroup@cba.com.au

Fax number: +61 2 9118 4001

Attention: Steven Furlong, Vice President - Agency

17.18 Disenfranchisement for certain Debt Purchase Transactions

- (a) For so long as any Borrower Affiliate beneficially owns a Commitment or is a party to a Debt Purchase Transaction:
 - (i) any Principal Outstanding in respect of that Commitment or Debt Purchase Transaction is taken to be zero for the purpose of determining who are the Majority Financiers for any approval, consent, waiver, amendment or other matter requiring a vote, instruction or direction by Financiers under the Finance Documents; and
 - (ii) that Borrower Affiliate and any other person with whom it has entered into a Debt Purchase Transaction will be taken not to be a Financier for the purposes of instructing the Facility Agent (unless, in the case of that other person, it is a Financier in respect of another Commitment).
- (b) Each Financier must promptly notify the Facility Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Borrower Affiliate, together with the amount of Commitment to which the Debt Purchase Transaction relates.
- (c) Each Financier that is a Borrower Affiliate agrees that (unless the Facility Agent otherwise agrees):
 - (i) it is not entitled to receive the agenda or any minutes of, nor to attend or participate in, any meeting or conference call to which all Financiers or the Majority Financiers are invited to attend or participate in; and
 - (ii) it is not entitled to receive any report or other document prepared at the request of, or on the instructions of, the Facility Agent or one or more of the Financiers.
- (d) In this clause:
 - (i) ***Borrower Affiliate*** means:
 - (A) a Transaction Party and each member of the FOXTEL Group;
 - (B) a Related Body Corporate of any person described in paragraph (A) above;
 - (C) any entity, or the trustee of any trust or fund, which is managed or controlled by any person described in paragraph (A) or (B) above; and
 - (D) any partnership of which any person described in paragraph (A) or (B) above is a partner.
 - (ii) ***Debt Purchase Transaction*** means, in relation to a person, a transaction where that person:
 - (A) purchases by way of assignment or transfer; or
 - (B) enters into any sub-participation (or any agreement or arrangement having an economic substantially similar effect as a sub-participation) in respect of,
any Commitment or Principal Outstanding.

18 Facility Agent Dealings

Except where expressly provided otherwise:

- (a) all correspondence under or in relation to the Finance Documents between a Financier on the one hand, and a Transaction Party on the other, will be addressed to the Facility Agent; and
- (b) the Financiers and the Transaction Parties severally agree to deal with and through the Facility Agent in accordance with this Agreement.

19 Control Accounts

The accounts kept by the Facility Agent constitute sufficient evidence, unless proven wrong, of the amount at any time due from any Borrower under this Agreement.

20 Proportionate Sharing

20.1 Sharing

- (a) Whenever a Financier (*Financier A*) receives or recovers any money in respect of any sum due from a Borrower under this Agreement in any way (including by set-off) except through distribution by the Facility Agent under this Agreement:
 - (i) Financier A will promptly notify the Facility Agent and pay an amount equal to the amount of that money to the Facility Agent (unless the Facility Agent directs otherwise); and
 - (ii) the Facility Agent will deal with the amount as if it were a payment by the Borrower on account of all sums then payable to the Financiers.
- (b) Unless paragraph (c) applies:
 - (i) the payment or recovery will be taken to have been a payment for the account of the Facility Agent and not to Financier A for its own account, and the liability of that Borrower to Financier A will only be reduced to the extent of any distribution received by Financier A under paragraph (a)(ii); and
 - (ii) (without limiting sub-paragraph (i)) each Borrower shall indemnify Financier A against a payment under paragraph (a)(i) to the extent that (despite sub-paragraph (i)) its liability has been discharged by the recovery or payment.
- (c) Where:
 - (i) the money referred to in paragraph (a) was received or recovered otherwise than by payment (for example, set-off); and
 - (ii) that Borrower, or the person from whom the receipt or recovery is made, is insolvent at the time of the receipt or recovery, or at the time of the payment to the Facility Agent, or becomes insolvent as a result of the receipt, or recovery or the payment,

then the following will apply so that the Financiers have the same rights and obligations as if the money had been paid by that Borrower to the Facility Agent for the account of the Financiers and distributed accordingly:

- (iii) each other Financier will assign to Financier A an amount of the debt owed by that Borrower to that Financier under the Finance Documents equal to the amount received by that Financier under paragraph (a);

- (iv) Financier A will be entitled to all rights (including interest and voting rights) under the Finance Documents in respect of the debt so assigned; and
 - (v) that assignment will take effect automatically on payment of the distributed amount by the Facility Agent to the other Financier.
- (d) If Financier A is required to disgorge or unwind all or part of the relevant recovery or payment then the other Financiers shall repay to the Facility Agent for the account of Financier A the amount necessary to ensure that all the Financiers share rateably in the amount of the recoveries or payments retained. Paragraphs (b) and (c) above apply only to the retained amount.

20.2 Arrangements with unrelated parties

This clause does not apply to receipts and recoveries by a Financier under arrangements (including credit derivatives and sub-participations) entered into by the Financier in good faith with parties unrelated to the Transaction Parties to cover some or all of its risk.

20.3 Unanticipated default

- (a) The Facility Agent may assume that a party (the *Payer*) due to make a payment for the account of another party (the *Recipient*) makes that payment when due unless the Payer notifies the Facility Agent at least one Business Day before the due date that the Payer will not be making the payment.
- (b) In reliance on that assumption, the Facility Agent may make available to the Recipient on the due date an amount equal to the assumed payment.
- (c) If the Payer does not in fact make the assumed payment, the Recipient shall repay the Facility Agent the amount on demand. The Payer will still remain liable to make the assumed payment, but until the Recipient does repay the amount, the Payer's liability will be to the Facility Agent in the Facility Agent's own right.
- (d) If the Payer is a Transaction Party any interest on the amount of the assumed payment accruing before recovery will belong to the Facility Agent. If the Payer is a Financier that Financier shall pay interest on the amount of the assumed payment at the rate determined by the Facility Agent, in line with its usual practice, for advances of similar duration to financial institutions of the standing of the Financier.

21 Contractual Recognition of Bail-In

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties, each party acknowledges and accepts that any liability of any party to any other party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

For the purposes of this clause 21:

Bail-In Action means the exercise of any Write-down and Conversion Powers.

Bail-In Legislation means in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

EU Bail-In Legislation Schedule means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers.

Write-down and Conversion Powers means in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule.

22 Governing Law and Jurisdiction

- (a) This Agreement is governed by the laws of New South Wales.
- (b) Each Borrower irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of New South Wales.
- (c) Each Borrower irrevocably and unconditionally waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum or those courts not having jurisdiction.
- (d) Each Borrower irrevocably waives any immunity in respect of its obligations under this Agreement that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.
- (e) A Finance Party may take proceedings in connection with the Finance Documents in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

23 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1

Initial Borrowers

<u>Name</u>	<u>ABN/ACN/ARB</u>	<u>Address and Notice details</u>
FOXTEL Management Pty Limited (in its own capacity)	65 068 671 938	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Financial Officer Facsimile: (02) 9813 7606
FOXTEL Finance Pty Limited	151 691 897	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Financial Officer Facsimile: (02) 9813 7606

Schedule 2

Initial Financiers

<u>Name and address</u>	<u>ABN/ACN/ARBN</u>	<u>Commitment</u>
Bank of China Limited, Sydney Branch 39-41 York Street Sydney NSW 2000	29 002 979 955	A\$ 75,000,000
Commonwealth Bank of Australia Level 21 Darling Park Tower 1 201 Sussex Street Sydney NSW 2000	48 123 123 124	A\$ 75,000,000
National Australia Bank Limited Level 18 255 George Street Sydney NSW 2000	12 004 044 937	A\$ 75,000,000
Sumitomo Mitsui Banking Corporation, Sydney Branch Level 40 The Chifley Tower 2 Chifley Square Sydney NSW 2000	98 114 053 459	A\$ 50,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd. Level 26 1 Macquarie Place Sydney NSW 2000	75 103 418 882	A\$ 50,000,000
Westpac Banking Corporation Level 3 Westpac Place 275 Kent Street Sydney NSW 2000	33 007 457 141	A\$ 75,000,000
TOTAL		<u>A\$400,000,000</u>

Schedule 3

Initial conditions precedent

1 Verification Certificate

A certificate in relation to each Initial Borrower given by two officers of the relevant Initial Borrower, substantially in the form of Annexure C.

2 Finance Documents

- (a) An original of this Agreement duly executed by each Initial Borrower.
- (b) A Finance Party Nomination Letter duly executed by FOXTEL nominating the Facility Agent a *Financier Representative*, each Initial Financier a *Financier* and this Agreement a *Finance Document* for the purposes of the Common Terms Deed Poll.
- (c) A Senior Debt Nomination Letter (as that term is defined in the Subordination Deed) duly executed by FOXTEL nominating each Initial Financier a *Senior Lender*, the Facility Agent a *Senior Lender Representative*, this Agreement a *Senior Debt Document* and each Initial Financiers' Commitment as *Senior Commitments* for the purposes of the Subordination Deed.

3 Existing Syndicated Facility Agreement

Evidence that all or part of the first Funding Portion provided under this Agreement will be applied to refinance the Existing Syndicated Facility Agreement so that on the date on which the first Funding Portion is provided, all amounts outstanding under Tranche C of the Existing Syndicated Facility Agreement will be repaid in full and all commitments under Tranche C of the Existing Syndicated Facility Agreement will be cancelled.

4 KYC

Completion of the Finance Parties' "Know Your Customer" checks in respect of each Transaction Party and each Partner and their authorised representatives, and any other person for whom the Finance Parties reasonably believe that an applicable customer identification procedure must be conducted in connection with the Finance Documents and the transactions contemplated by those documents.

5 Legal Opinion

An opinion of Allens, Australian legal advisers to the Initial Borrowers addressed to the Finance Parties concerning the Finance Documents.

6 Fees

Payment of all fees due and payable under the Finance Documents (including each Finance Party's legal costs and expenses in relation to negotiation and preparation of, and entry into, the Finance Documents).

7 Annual Financial Report

A copy of the most recent audited Financial Report of the FOXTEL Group.

Executed as an agreement.

Each attorney executing this Agreement states that he or she has no notice of revocation or suspension of his or her power of attorney.

INITIAL BORROWERS

Signed by FOXTEL Management Pty Limited as an Initial Borrower by:

/s/ Peter Tonagh
Director

PETER TONAGH
Print Name

Signed by FOXTEL Finance Pty Limited as an Initial Borrower by:

/s/ Peter Tonagh
Director

PETER TONAGH
Print Name

/s/ Lynette Ireland
Secretary

LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary

LYNETTE IRELAND
Print Name

INITIAL FINANCIERS

Signed by

As attorney for **Bank of China Limited, ABN 29
002 979 955** under power of attorney dated 15 March 2011

in the presence of:

/s/ Sun Qiang
Witness Signature

Sun Qiang
Print Name

/s/ Hu Shanjun
Attorney Signature

Hu Shanjun
Print Name

Signed for and on behalf of **Commonwealth
Bank of Australia** by

Tim Bates

its attorney under power of attorney dated

24 JUNE 2013

who declares that he or she is

DIRECTOR

of Commonwealth Bank of Australia in the presence of:

/s/ Ruby Lau

Witness Signature

/s/ Tim Bates

Attorney Signature

RUBY LAU

Print Name

Signed by

Matthew Clendenny

as attorney for **National Australia Bank Limited** under power of attorney dated 1 March 2007

in the presence of:

/s/ Dhivya Mohan

Witness Signature

/s/ Matthew Clendenny

Attorney Signature

DHIVYA MOHAN

Print Name

Signed by

As attorney for **Sumitomo Mitsui Banking Corporation, Sydney Branch** under power of attorney dated 10 NOV 14 in the presence of:

/s/ Amy Wong

Witness Signature

AMY WONG

Print Name

/s/ Brent Griffiths

Attorney Signature

BRENT GRIFFITHS

Print Name

Signed by

As attorney for **The Bank of Tokyo-Mitsubishi
UFJ, Ltd.** under power of attorney dated 05/02/2016
in the presence of:

/s/ Daisuke Ariyama

Witness Signature

Daisuke Ariyama

Print Name

/s/ Drew Riethmuller

Attorney Signature

Drew Riethmuller

Print Name

Signed by

Rohan Morton

as attorney for **Westpac Banking Corporation** under power of attorney dated 17 January 2001

in the presence of:

/s/ Minh Bui

Witness Signature

Minh Bui

Print Name

/s/ Rohan Morton

Attorney Signature

Rohan Morton

Tier Three Attorney

FACILITY AGENT

Signed for and on behalf of **Commonwealth Bank of Australia** by

Steven Furlong

its attorney under power of attorney dated 24/06/13

who declares that he or she is

DIRECTOR

of Commonwealth Bank of Australia in the presence of:

/s/ Colleen Chiu

Witness Signature

/s/ Steven Furlong

Attorney Signature

Colleen Chiu

Print Name

Execution Page

page 9

Annexure A

Borrower Assumption Letter

TO: Commonwealth Bank of Australia (as *Facility Agent*)

From: [New Borrower]

Dated: [*]

Dear Sirs

Re: Syndicated revolving facility agreement (Facility *Agreement*) dated on or about [*] 2016 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

1. We refer to the Facility Agreement. This is a Borrower Assumption Letter. Terms used in the Facility Agreement have the same meaning in this Borrower Assumption Letter unless given a different meaning in this Borrower Assumption Letter.
2. [New Borrower] agrees to become a party to the Facility Agreement as a New Borrower and to be bound by the terms of the Facility Agreement as a Borrower.
3. [New Borrower] acknowledges having received a copy of and approved the Facility Agreement together with all other documents and information it requires in connection with the Facility Agreement before signing this letter.
4. This letter is governed by New South Wales law.

[If *the New Borrower is signing under a Power of Attorney*] [each attorney executing this letter states that he or she has no notice of revocation or suspension of his or her power of attorney.]

[Insert execution clause for New Borrower]

Annexure B

Funding Notice

To: Commonwealth Bank of Australia (Facility *Agent*)

We refer to the syndicated revolving facility agreement (Facility *Agreement*) dated on or about [*] 2016 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Expressions defined in the Facility Agreement have the same meaning when used in this Funding Notice. Under clause 5.1 of the Facility Agreement:

- (a) We give you notice that we wish to draw on [insert *Funding Date*] (Funding *Date*).
- (b) The aggregate amount to be drawn is A\$[*].
- (c) Particulars of each Funding Portion are as follows:

Amount	Interest Period
[*]	[*]

- (d) The proceeds of each Funding Portion are to be used in accordance with clause 3 of the Facility Agreement.
- (e) [Except as disclosed in paragraph (f)] each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) of the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect, as though they are made in respect of the facts and circumstances subsisting as at the date of this Funding Notice.
- (f) [Details of the exception to paragraph (e) are as follows: [*]]
- (g) We represent and warrant that no [Default]/[Event of Default] is continuing or will result from the provision of the Funding Portions referred to in this Funding Notice.

Date:

Signed for and on behalf of **[insert name of Borrower]** by

Officer

Name (please print)

Annexure C

Verification Certificate

Note: To be signed by two officers of the relevant company.

TO: Commonwealth Bank of Australia (as *Facility Agent*)

Syndicated Revolving Facility for FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited

We are [two directors]/[a director and the secretary] of [*] (the *Company*).

We refer to the syndicated revolving facility agreement (Facility *Agreement*) dated on or about [*] 2016 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Definitions in the Facility Agreement apply in this Certificate.

Attached are true, up-to-date and complete copies of the following.

- (a) [A power of attorney under which the Company executed any Finance Document to which it is expressed to be a party relating to the above facility. That power of attorney has not been revoked by the Company and remains in full force and effect.]
- (b) Extracts of minutes of a meeting of the directors of the Company authorising execution of any Finance Document to which it is expressed to be a party relating to the above facility.
- (c) A certificate of incorporation and constituent documents for the Company, if they are not already held by the Facility Agent.

If any of the documents in paragraph (c) are already held by the Facility Agent, we confirm [they are complete and up-to-date|the attached amendments are all subsequent amendments to them].

Below are the specimen signatures of all those authorised to give drawdown and other notices for the Company (each an *Officer*):

<u>Name</u>	<u>Signature</u>	<u>Date of birth</u>
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]

By completing and signing an entry on the above list, each Officer acknowledges that:

- each Financier may verify the identity of each Officer and carry out any “know your customer” check (or similar requirement) in respect of each Officer to each Financier’s satisfaction; and
- the Officer has read and agrees with each Privacy Statement, which describes the manner in which their personal information may be collected, used and disclosed by a Financier.

The Company is solvent.

Director

[Director]/[Secretary]

Annexure D

Substitution Certificate

This Agreement is made on [] between the following parties:

1. []
ABN []
(Retiring Financier)
2. []
ABN []
(Substitute Financier)
3. **Commonwealth Bank of Australia**
ABN 48 123 123 124
(Facility Agent)

1 Interpretation

1.1 Incorporated definitions

A word or phrase defined in the Facility Agreement has the same meaning when used in this Agreement.

1.2 Definitions

In this Agreement:

Facility Agreement means the syndicated revolving facility agreement (*Facility Agreement*) dated on or about [*] 2016 between FOXTEL Management Pty Limited and FOXTEL Finance Pty Limited (as *Initial Borrowers*), each party listed in Schedule 2 to that agreement (as *Initial Financiers*) and the Facility Agent.

Substituted Commitment means the Commitment of the Retiring Financier and the participation in the Principal Outstanding drawn under that Commitment in respect of the following Funding Portions:

<u>Date</u>	<u>Interest Period</u>	<u>Amount of Participation</u>
[*]	[*]	[*]

amounting to a principal amount of A\$[*].

Substitution Date means [*].

1.3 Interpretation

- (a) Clause 1 of the Facility Agreement applies to this Agreement as if set out in full in this Agreement.
- (b) A reference in this Agreement to ‘identical’ rights or obligations is a reference to rights or obligations substantially identical in character to those rights or obligations rather than identical as to the person entitled to them or obliged to perform them.

1.4 Capacity

- (a) The Facility Agent enters into this Agreement for itself and as agent for each of the parties to the Facility Agreement (other than the Retiring Financier).

2 Substitution

2.1 Effect of substitution

With effect on and from the Substitution Date:

- (a) no party to the Finance Documents has any further obligation to the Retiring Financier in relation to the Substituted Commitment;
- (b) the Retiring Financier is released from and has no further rights or obligations to a party to the Finance Documents in relation to the Substituted Commitment and any Finance Document to that extent;
- (c) the Facility Agent grants to the Substitute Financier rights which are identical to the rights which the Retiring Financier had in respect of the Substituted Commitment and any Finance Document to that extent; and
- (d) the Substitute Financier assumes obligations towards each of the parties to the Finance Documents which are identical to the obligations which the Retiring Financier was required to perform in respect of the Substituted Commitment before the acknowledgment set out in 2.1(b).

2.2 Substitute Financier a Financier

With effect on and from the Substitution Date:

- (a) the Substitute Financier is taken to be a party to the Finance Documents with a Commitment equal to the Substituted Commitment and the Facility Agreement is amended accordingly; and
- (b) a reference in the Common Terms Deed Poll and Facility Agreement to 'Financier' includes a reference to the Substitute Financier.

2.3 Preservation of accrued rights

- (a) The Retiring Financier and all other parties to the Finance Documents remain entitled to and bound by their respective rights and obligations in respect of the Substituted Commitment and any of their other rights and obligations under the Finance Documents which have accrued up to the Substitution Date.

3 Acknowledgments

3.1 Copies of documents

The Substitute Financier acknowledges that it has received a copy of the Common Terms Deed Poll and the Facility Agreement and all other information which it has requested in connection with those documents.

3.2 Acknowledgment

The Substitute Financier acknowledges and agrees as specified in clause 17.13 of the Facility Agreement, which applies as if references to the Facility Agent included the Retiring Financier and references to any Finance Document included this Agreement.

4 Payments

4.1 Payments by Facility Agent

With effect on and from the Substitution Date, the Facility Agent must make all payments due under the Finance Documents in connection with the Substituted Commitment to the Substitute Financier, without having any further responsibility to the Retiring Financier in respect of the same.

4.2 As between Financiers

The Retiring Financier and the Substitute Financier must make directly between themselves the payments and adjustments which they agree with respect to accrued interest, fees, costs and other rights or other amounts attributable to the Substituted Commitment which accrue before the Substitution Date.

5 Outstanding Liquidity Bills

The Substitute Financier indemnifies the Retiring Financier against any Loss which the Retiring Financier suffers, incurs or is liable for as acceptor, endorser or discounter of any outstanding Liquidity Bills prepared by the Retiring Financier in relation to the Substituted Commitment.

6 Warranty

Each of the Retiring Financier and the Substitute Financier represent and warrant to the other parties that the requirements of clause 16 of the Facility Agreement have been complied with in relation to the Substituted Commitment.

7 Details of Substitute Financier

The Lending Office and its notice details for correspondence of the Substitute Financier is as follows:

Address: [*];

Attention: [*]; and

Facsimile: [*].

8 General

Clause 15 of the Common Terms Deed Poll applies to this Agreement as if it were set out in full in this Agreement.

9 Attorneys

Each of the attorneys executing this Agreement states that the attorney has no notice of revocation of that attorney's power of attorney.

Executed as an agreement

Retiring Financier:

Signed for [] by its attorney in
the presence of:

Witness Signature

Print Name

Attorney Signature

Print Name

Substitute Financier:

Signed for [] by its attorney in
the presence of:

Witness Signature

Print Name

Attorney Signature

Print Name

Facility Agent:

Signed for **Commonwealth Bank of
Australia** by its attorney in the presence of:


Witness Signature

Print Name

Attorney Signature

Print Name

Institutional Banking
& Markets

CommonwealthBank 

Multi-Option Facility Agreement

Foxtel Management Pty Limited

30 June 2017

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PART A FACILITY PARTICULARS

Part 1

Document details

Date	
Original Borrowers	Foxtel Management Pty Limited (ABN 65 068 671 938) of 5 Thomas Holt Drive, North Ryde, NSW 2113 in its own capacity; Austar Entertainment Pty Limited (ACN 068 104 530) of 5 Thomas Holt Drive, North Ryde, NSW 2113; Austar United Communications Pty Limited (ACN 087 695 707) of 5 Thomas Holt Drive, North Ryde, NSW 2113; Customer Services Pty Limited (ACN 069 272 117) of 5 Thomas Holt Drive, North Ryde, NSW 2113; Foxtel Finance Pty Limited (ACN 151 691 897) of 5 Thomas Holt Drive, North Ryde, NSW 2113; Foxtel Australia Pty Limited (ACN 151 691 753) of 5 Thomas Holt Drive, North Ryde, NSW 2113; and XYZnetworks Pty Limited (ACN 066 812 119) of 5 Thomas Holt Drive, North Ryde, NSW 2113.
Original Lender	Commonwealth Bank of Australia ABN 48 123 123 124 Address for service of communications: <i>Address:</i> Level 23, Darling Park Tower 1, 201 Sussex Street Sydney NSW 2000 <i>Attention:</i> Peter Cirica <i>Phone:</i> +612 9118 4137 <i>Fax:</i> +612 9118 4003 <i>Email:</i> peter.cirica@cba.com.au with a copy to: <i>Address:</i> Level 22, Darling Park Tower 1 201 Sussex Street Sydney NSW 2000 <i>Attention:</i> Loan Management Group <i>Phone:</i> +61 1300 881 394 <i>Email:</i> IBLending@cba.com.au Facility Office: Level 22, Darling Park Tower 1 201 Sussex Street Sydney NSW 2000.
Company	Foxtel Management Pty Limited (ABN 65 068 671 938) of 5 Thomas Holt Drive, North Ryde, NSW 2113 in its own capacity
Base Currency	AUD
Common Terms Deed Poll	the common terms deed poll dated 10 April 2012 (as amended or amended and restated from time to time) given by Foxtel Management Pty Limited, the parties in Schedule 1 to that document and others in favour of the Finance Parties (as defined therein)

Part 2

Limits

Total Accommodation Limit \$100,000,000

<u>Facilities</u>	<u>Facility Accommodation Limit</u>	<u>Availability Period</u>	<u>Available currencies</u>
Cash Advance Facility *	\$82,219,340.08	The period commencing on the date of this document and ending on the earlier of the Termination Date and the date on which the commitment is cancelled pursuant to this document.	AUD
Bank Guarantee Facility *	\$9,280,659.92	The period commencing on the date of this document and ending on the earlier of the Termination Date and the date on which the commitment is cancelled pursuant to this document.	AUD
Corporate Card Facility *	\$3,500,000	Repayable and cancellable on demand as specified in the Facility Annexure.	AUD
Group Limit Facility *	\$5,000,000	Repayable and cancellable on demand as specified in the Facility Annexure.	AUD

* Limits on these Facilities (“**Multi-Option Facilities**”) may be re-allocated in accordance with clause 2.3 (*Reallocation*).

Part 3

Facility pricing

Commitment fee	45% of the applicable Margin per annum that would apply in relation to a Loan on that date payable on the daily amount of the Total Accommodation Limit which is undrawn. The commitment fee is payable quarterly in arrears on the last Business Day of each calendar quarter and on the last day of the Availability Period.
Establishment fee	\$300,000. The establishment fee is payable within 2 Business Days of the date of this document.
Cash Advance Facility	Bank Bill Rate plus the applicable Margin for the applicable Interest Period.
Bank Guarantee Facility	A Bank Guarantee issuance fee of 1.10% per annum on the face amount of each Bank Guarantee. The issuance fee is payable in arrears on the last Business Day of each calendar quarter and on the last day of the Availability Period.
Corporate Card Facility	Market rates on all Accommodation provided under the Corporate Card Facility as advised by the Lender from time to time, payable as advised by the Lender from time to time.
Group Limit Facility	Refer to Part 4 of the Facilities Particulars.

Part 4

Group Limit Facility details* Account name

Accounts

Account number

AUSTAR ENTERTAINMENT PTY LIMITED	200011398313
CUSTOMER SERVICES PTY LIMITED	400010659274
AUSTAR ENTERTAINMENT PTY LIMITED	200011461773
AUSTAR UNITED COMMUNICATIONS LIMITED	200011398321
AUSTAR ENTERTAINMENT PTY LIMITED	200011398305
CUSTOMER SERVICES PTY LIMITED	314710223307
FOXTEL FINANCE PTY LIMITED	200014452215
FOXTEL AUSTRALIA PTY LIMITED	200014533162
FOXTEL MANAGEMENT PTY LIMITED	400010659223
FOXTEL MANAGEMENT PTY LIMITED	400010659266
FOXTEL MANAGEMENT PTY LIMITED	400010659952
XYZNETWORKS PTY LIMITED	202010106146
FOXTEL MANAGEMENT PTY LIMITED	200015984002
AUSTAR ENTERTAINMENT PTY LIMITED	200013503316
FOXTEL MANAGEMENT PTY LIMITED	200010690937
AUSTAR ENTERTAINMENT PTY LIMITED RECEIPTS ACCOUNT	200011398292
AUSTAR ENTERTAINMENT PTY LIMITED - CUSTOMER RECEIPTSACCOUNT2	200013866010
Austar—Operating Account	200015338414

Cap Limit

\$20,000,000

Group Limit Facility details*

Group Limit	Overdraft Limit: \$5,000,000.00 The Facility Accommodation Limit for the Group Limit Facility
Debit Interest Margin	Facility Limits Balance within Overdraft Limit: 0 - \$5,000,000.00 <ul style="list-style-type: none">• The Bank's Corporate Overdraft Reference Rate (presently: 8.71% p.a.) less 5.1%
Excess Debit Interest Margin	Balance in excess of Overdraft Limit: \$5,000,000.00 + <ul style="list-style-type: none">• The Bank's Corporate Overdraft Reference Rate (presently: 8.71% p.a.)
Interest on Credit Balances	Flat Rate on all Credit Balances <ul style="list-style-type: none">• RBA Target Cash Rate (presently: 1.5% p.a.) less 0.10%
Nominated Account	064000 10659223
Arrangement ID	100067220
Fees	Market rates on Accommodation provided under the Group Limit Facility as advised by the Lender from time to time, payable as advised by the Lender from time to time. Overdraft Line Fee: Waived

* The Accounts, Debit Interest Margin, Excess Debit Interest Margin and the Interest on Credit Balances are true and correct on the date of this document. Each of these may change from time to time with the prior written agreement between the Lender and the Company.

PART B GENERAL TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document, the following terms have the following meanings unless a contrary intention appears:

Accession Letter means in relation to an Additional Borrower, a document substantially in the form set out in Schedule 4.

Accommodation means any financial accommodation provided or to be provided by the Lender under this document.

Accommodation Particulars has, in respect of a Facility, the meaning given to that term in the Facility Annexure (if any).

Additional Borrower means a company which becomes an Additional Borrower in accordance with clause 11 (*Changes to the Borrowers*),

Applicable Facility Conditions has, in respect of a Facility, the meaning (if any) given to that term in the relevant Facility Annexure. If the term is not defined in a Facility Annexure, there are no Applicable Facility Conditions for the relevant Facility.

Authorised Officer means:

- (a) in respect of a Borrower, any person holding any position from time to time nominated as an Authorised Officer by that Borrower by notice to the Lender, which notice must be accompanied by certified copies of the signatures of all new persons so appointed and any other such identification or verification documents required by the Lender, and if no such notice is given, means any person who is an “officer” of that Borrower within the meaning given in the Corporations Act; and
- (b) in respect of the Lender, any person whose title of office is or includes the word “Director”, “Managing Director”, “Head”, “Executive”, “Manager” or “Vice President” (including any person acting in any of those offices) and any other person appointed by the Lender to act as its authorised officer for the purposes of the MOFA Documents.

Availability Period means, for a Facility, the period specified in Part 2 of the Facility Particulars for that Facility (unless the Facility Accommodation Limit for that Facility is cancelled in full or permanently reduced to zero under this document).

Bank Guarantee means any of the following in a form requested by a Borrower and agreed by the Lender:

- (a) a letter of credit; and
- (b) a guarantee, indemnity or other instrument,

and includes a bank guarantee, performance bond or a standby letter of credit.

Base Currency means the currency specified as the Base Currency in Part 1 of the Facility Particulars.

Borrower means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with clause 11 (*Changes to the Borrowers*).

Break Costs means the amount determined by the Lender as being incurred by reason of the liquidation or re-employment of deposits or other funds acquired or contracted for, or allocated by the Lender to fund or maintain its commitments under this document or the termination or repricing of any interest rate or currency swap or other hedging arrangement (including an internal arrangement) entered into by the Lender in connection with the liquidation or re-employment of those deposits or other funds.

Facility means each facility specified in Part 2 of the Facility Particulars.

Facility Accommodation Limit means in respect of a Facility, the amount set opposite that Facility in Part 2 of the Facility Particulars as reduced cancelled or varied in accordance with this document.

Facility Annexure means, in respect of a Facility, the annexure relating to that Facility which forms part of this document.

Facility Conditions Precedent has, in respect of a Facility, the meaning given to that term in the Facility Annexure.

Facility Documentation means any agreement, deed, schedule, order form, account authority, signature card or other document relating to a Facility, and includes any Applicable Facility Conditions relating to that Facility.

Facility Office means the Facility Office specified in Part 1 of the Facility Particulars.

Facility Particulars means the facility particulars set out at the front of this document immediately after the table of contents.

Lender means:

- (a) the Original Lender; and
- (b) any bank, financial Institution, trust, fund or other entity which has become a party in accordance with clause 10.2 (*Assignment by the Lender*),

which in each case has not ceased to be a party in accordance with the terms of this document.

Margin will be determined by reference to the table below based on the Total Debt to EBITDA Ratio of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 of the Common Terms Deed Poll as at the most recent Calculation Date.

<u>Total Debt to EBITDA</u>	<u>Margin</u>
≤1.5	1.30% p.a.
above 1.5 but ≤ 2.0	1.40% p.a.
above 2.0 but ≤ 2.25	1.50% p.a.
above 2.25 but ≤ 2.5	1.60% p.a.
above 2.5 but ≤ 3.0	1.70% p.a.
above 3.0 but ≤ 3.5	2.00% p.a.
above 3.5	2.40% p.a.

Master Agreement means this document excluding each Facility Annexure but including the Facility Particulars and each schedule.

MOF Finance Document means:

- (a) this document;
- (b) any Swap Agreement to which the Lender is a counterparty;
- (c) any Accession Letter;
- (d) any Resignation Letter;
- (e) any Facility Documentation;
- (f) the Common Terms Deed Poll;
- (g) any Guarantee Assumption Deed Poll;
- (h) any Subordination Deed; or
- (i) any other document designated in writing as such by the Lender and a Borrower.

Money Owing means all amounts actually or contingently owing under this document and each other MOF Finance Document, including accrued but unpaid interest and fees.

Multi-Option Facility has the meaning given to that term in Part 2 of the Facility Particulars.

Outstanding Accommodation has, in respect of a Facility, the meaning given to that term in the Facility Annexure.

Overdue Rate has, in respect of a Facility, the meaning given to that term in the Facility Annexure.

Reallocation Request means a notice substantially in the form set out in Schedule 3 and given in accordance with clause 2.3 (*Reallocation*).

Reference Rate means the rate described as the Lender's corporate overdraft reference rate, as amended and published by the Lender from time to time or, if there is no such rate, any substitute or replacement rate published by the Lender from time to time.

Resignation Letter means a letter substantially in the form set out in Schedule 5.

Termination Date means, for a Facility, 3 July 2020 or any earlier date on which the Facility is terminated or cancelled in accordance with this document or on which all the Money Owing becomes due and payable under this document.

Total Accommodation Limit means the amount specified in Part 2 of the Facility Particulars being the aggregate Facility Accommodation Limits, as reduced, cancelled or varied in accordance with this document.

Utilisation has, in respect of a Facility, the meaning given to that term in the Facility Annexure for that Facility.

Utilisation Date means the date on which Accommodation is or is to be provided under a Facility and includes any date on which Accommodation is or is to be replaced, rolled over or renewed.

Utilisation Request means a notice substantially in the form set out Schedule 2 and given in accordance with clause 4 (*Utilisation*).

1.2 Further definitions

- (a) Terms defined in the Facility Particulars, in a Facility Annexure or in a schedule to this document have the same meaning in the rest of this document unless defined elsewhere or a contrary intention appears.
- (b) Terms defined in the Common Terms Deed Poll apply in this document unless a contrary intention appears or the relevant term is defined in this document.

1.3 Currency symbols and definitions

A\$, AUD and **Australian dollars** denote the lawful currency of Australia.

1.4 Common Terms Deed Poll

- (a) This document and the rights and obligations of the parties to it are subject to the terms and conditions of the Common Terms Deed Poll which are deemed to be incorporated in full into this document as if expressly set out in this document (with the necessary changes).
- (b) Each MOF Finance Document is a **Finance Document** for the purposes of the Common Terms Deed Poll.
- (c) If the Common Terms Deed Poll is terminated without the consent of the Lender, references in this document to the Common Terms Deed Poll are references to that document in the form immediately before its termination.

1.5 Multiple parties

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or that term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

2. FACILITIES

2.1 Availability

- (a) Subject to the terms of this document the Lender agrees to make available to the Borrowers each Facility during its Availability Period in the Base Currency, up to its Facility Accommodation Limit, on the terms set out in this document, including the relevant Facility Annexure.

- (b) On the Termination Date for a Facility the Facility Accommodation Limit for that Facility is cancelled and reduced to zero.

2.2 Purpose

- (a) Unless otherwise agreed by the Lender, each Borrower must apply a Utilisation under a Facility for working capital and corporate requirements of the FOXTEL Group.
- (b) The Lender is not bound to monitor or verify the application of a Utilisation pursuant to this document.

2.3 Reallocation

- (a) A Borrower may by notice in writing to the Lender request that the Facility Accommodation Limit of any Multi-Option Facility be transferred to the Facility Accommodation Limit of another Multi-Option Facility by providing to the Lender a Reallocation Request in the form of Schedule 3 of this document.
- (b) If the Lender consents to any such request, then the Lender shall produce a new Part 2 of the Facility Particulars reflecting such adjustments and provide a copy to the Borrowers.
- (c) Despite any other provision of this document, the Lender must consent to any request by a Borrower to increase the Facility Accommodation Limit of any other Multi-Option Facility if the Lender exercises its rights to cancel its obligation to provide any further Accommodation under the Corporate Card Facility or the Group Limit Facility. Any such increase in a Facility Accommodation Limit will not exceed the amount of the Facility Accommodation Limit under the Corporate Card Facility or the Group Limit Facility cancelled by the Lender.

3. CONDITIONS OF UTILISATION

3.1 Initial conditions precedent

No Borrower may deliver a Utilisation Request, or utilise any Accommodation under this document, unless the Lender has received all of the documents and evidence listed in Part I of Schedule 1 in form and substance satisfactory to the Lender.

3.2 Further conditions precedent

The Lender will only be obliged to comply with clause 4.3 (*Provision of Utilisation*) if:

- (a) on the date of the Utilisation Request (if applicable) and on the proposed Utilisation Date:
 - (i) no Event of Default or Potential Event of Default is continuing or would result from the proposed Utilisation; and
 - (ii) each representation and warranty given under a Finance Document (other than the representation and warranty in clause 4.1(m) if the Common Terms Deed Poll) is true and correct in all material respects, and is not misleading in any material respect as though they had been made in respect of the facts and circumstances then subsisting;

- (b) in respect of the Facility to which the proposed Utilisation and the Utilisation Request (if applicable) relates:
 - (i) the Outstanding Accommodation at any time will not exceed the Facility Accommodation Limit; and
 - (ii) any Facility Conditions Precedent have been provided or complied with, in each case in form and substance satisfactory to the Lender;
- (c) in respect of any Utilisation under a Facility, the aggregate of the Outstanding Accommodation under each Facility will not exceed the Total Accommodation Limit; and
- (d) the proposed Utilisation Date in relation to the Utilisation is a Business Day within the Availability Period for the Facility.

4. UTILISATION

4.1 Delivery of a Utilisation Request

A Borrower may request a Utilisation under a Facility which requires a Utilisation Request by delivering the Utilisation Request to the Lender. For a Facility where the Facility Annexure specifies that no Utilisation Request is required, the Lender will provide Utilisations subject to the terms of the Facility Annexure.

4.2 Completion of Utilisation Request

Subject to any contrary provision in the relevant Facility Annexure, each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless it:

- (a) is delivered no later than 10.00am local time in the city of the Lender's Facility Office, two Business Days before the proposed Utilisation Date (or at any later time and date as the Lender may agree);
- (b) specifies:
 - (i) the Facility to be utilised;
 - (ii) the proposed Utilisation Date (which must be a Business Day within the relevant Availability Period for the Facility);
 - (iii) the Accommodation Particulars;
 - (iv) where relevant, the bank account or accounts to which payment is to be made;
- (c) is signed by an Authorised Officer of the relevant Borrower; and
- (d) is substantially in the form set out in Schedule 2 (*Utilisation Request*).

4.3 Provision of Utilisation

If the conditions set out in this document have been met, and subject to the provisions of the relevant Facility Annexure, the Lender shall make the Utilisation requested in the relevant Utilisation Request available by the Utilisation Date through its Facility Office.

5. REPAYMENT, PREPAYMENT AND CANCELLATION

5.1 Repayment

- (a) On the Termination Date for a Facility each Borrower to which a Utilisation in respect of that Facility has been made must pay to the Lender:
 - (i) all of the Outstanding Accommodation under the relevant Facility, together with all Money Owing in respect of that Facility; and
 - (ii) all other amounts specified in this document as being payable on the Termination Date for that Facility.
- (b) On the last Termination Date for any Facility each relevant Borrower must pay to the Lender all remaining Money Owing.

5.2 Mandatory prepayment

If so required by the Lender, a Borrower must make such repayments to the Lender in respect of a Facility as are necessary to ensure that at all times during the relevant Availability Period the Outstanding Accommodation will not exceed the Facility Accommodation Limit.

5.3 Voluntary cancellation

- (a) A Borrower may, if it gives the Lender not less than 5 Business Days' prior notice (or such shorter period as the Lender may agree), cancel the whole or any part (being a minimum amount of AUD1,000,000 and a whole multiple of AUD1,000,000, unless otherwise agreed by the Lender) of the Total Accommodation Limit.
- (b) The Total Accommodation Limit may not be reduced below the aggregate Outstanding Accommodation under each Facility on the date on which the cancellation is to take place.
- (c) The Facility Accommodation Limit of each Facility will be reduced as agreed between a Borrower and the Lender.

5.4 Voluntary prepayment

- (a) A Borrower to which a Utilisation has been made may, if it gives the Lender not less than 5 Business Days' prior notice (or such shorter period as the Lender may agree), prepay all or part of the aggregate Outstanding Accommodation under each Facility.
- (b) The prepaid amount must be a minimum of AUD1,000,000 and a whole multiple of AUD1,000,000, unless otherwise agreed by the Lender. When a Borrower prepays any amount it must pay all interest accrued on that amount and, in the case of a Utilisation of the Cash Advance Facility, any Break Costs arising as consequence of the prepayment other than on the last day of its Interest Period.
- (c) Any Accommodation prepaid will, during the Availability Period, be available to the relevant Borrower by way of fresh Utilisations.

6. INTEREST

6.1 Interest

The Borrowers must pay interest on each Utilisation if required by, and in the amount, at the time and in the manner set out in, the Facility Annexure for the relevant Facility or in any Facility Documentation.

6.2 Default interest

If a Borrower fails to pay any amount payable by it under this document on its due date, then that Borrower must pay, on demand or at any time notified by the Lender, interest on that overdue amount from the due date up to the date of actual payment, calculated on daily balances and compounded monthly, both before and (as an independent obligation) after any judgment or order:

- (a) where the overdue amount is payable under or in respect of a Facility, and the Facility Annexure refers to an Overdue Rate for that Facility, at that Overdue Rate;
- (b) where the overdue amount is payable under or in respect of a Facility, and any Facility Documentation refers to an overdue rate for that Facility, at that overdue rate; or
- (c) in any other case, at the rate determined by the Lender to be 2% per annum above the Reference Rate.

6.3 Notification of rates of interest

The Lender shall promptly notify the relevant Borrower of the determination of a rate of interest under this document.

7. FEES

7.1 Fees

The Borrowers must pay to the Lender:

- (a) the fees in the amount, at the time and in the manner set out in Part 3 of the Facility Particulars; and
- (b) any other fees set out in Facility Documentation, at the time and in the manner set out in such Facility Documentation.

7.2 Non-refundable

All fees payable under this document are non-refundable and non-rebateable.

8. REPRESENTATIONS AND WARRANTIES

Each Borrower makes the representations and warranties set out in clause 4.1 of the Common Terms Deed Poll for the benefit of the Lender on the date of this document.

9. ACCELERATION

On and at any time after the occurrence of an Event of Default which is continuing the Lender may, by notice to the Company:

- (a) cancel the Facility Accommodation Limits whereupon they shall immediately be cancelled; and/or

- (b) declare that all or part of the Money Owing be immediately due and payable, whereupon it shall become immediately due and payable; and/or
- (c) declare that cash cover in respect of each Bank Guarantee is immediately due and payable whereupon it shall become immediately due and payable.

10. ASSIGNMENTS

10.1 Assignments by a Borrower

A Borrower may only assign or transfer any of its rights and obligations under this document with the prior written consent of the Lender.

10.2 Assignment by the Lender

The Lender may assign, create any interest in or otherwise deal with all or any of its rights under this document at any time if:

- (a) any necessary prior Authorisation is obtained;
- (b) one or more of the following applies:
 - (i) the transferee or assignee is a Related Body Corporate of the Lender;
 - (ii) the Borrowers consent to the proposed transfer or assignment (such consent not to be unreasonably withheld); or
 - (iii) an Event of Default is continuing; and
- (c) in the case of a transfer of obligations, the transfer is effected by a novation in form and substance reasonably satisfactory to the Borrowers.

10.3 Change of Facility Office

The Lender may change its Facility Office if it first notifies and consults with the Borrowers.

10.4 No increased costs

Despite anything to the contrary in this document, if the Lender assigns its right under this document or changes its Facility Office, a Borrower will not be required to pay any net increase in the total amount of costs, Taxes, fees or charges which is a direct result of the assignment or change and of which the Lender or its assignee was aware or ought reasonably to have been aware on the date of the assignment or change. For this purpose only, a novation will be regarded as an assignment.

11. CHANGES TO THE BORROWERS

11.1 Additional Borrowers

- (a) Any Guarantor incorporated in Australia may become an Additional Borrower if the Lender has received the following in form and substance satisfactory to it:
 - (i) a duly completed and executed Accession Letter; and
 - (ii) all of the documents and other evidence listed in Part II of Schedule 1 in relation to that Additional Borrower.

- (b) The Lender shall notify the Company promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed clause 11.1(a).

11.2 Resignation of a Borrower

- (a) The Company may request that a Borrower (other than the Company) ceases to be a Borrower by delivering to the Lender a Resignation Letter.
- (b) The Lender shall accept a Resignation Letter and notify the Company of its acceptance if:
 - (i) no Event of Default or Potential Event of Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and
 - (ii) the relevant Borrower is under no actual or contingent obligations as a Borrower under any MOF Finance Documents, whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the MOF Finance Documents.

11.3 Anti-money laundering

- (a) Each Borrower agrees that the Lender may delay, block or refuse to process any transaction without incurring any liability if the Lender suspects that:
 - (i) the transaction may breach any laws or regulations in Australia or any other country binding on the Lender;
 - (ii) the transaction involves any person (natural, corporate or governmental) in a manner that would breach economic and trade sanctions imposed by Australia, the United States, the European Union or any country binding on the Lender; or
 - (iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country and the transaction would breach or cause the Lender to breach any laws or regulations binding on the Lender.
- (b) Each Borrower must provide all information to the Lender which the Lender reasonably requires in order to manage its anti money laundering, counter terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other country. Each Borrower agrees that the Lender may disclose any information concerning a Borrower or any Transaction Party to any law enforcement, regulatory agency or court where and to the extent required by any such law or regulation or authority in Australia or elsewhere.
- (c) Each Borrower declares and undertakes to the Lender that to the best of its knowledge, information and belief the processing of any transaction by the Lender in accordance with that Borrower's instructions will not breach any laws or regulations in Australia or any other country relevant to the transaction.

12. COUNTERPARTS

This document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this document.

13. INDEMNITIES AND REIMBURSEMENT

All indemnities and reimbursement obligations (and any other payment obligations of a Borrower) in this document is continuing and survives termination of this document, repayment of the Utilisations and cancellation or expiry of the Facility Accommodation Limits.

14. GOVERNING LAW

This document is governed by the laws of New South Wales.

15. VARIATION

A variation of any terms of this document must be in writing and signed by the parties (other than any variations permitted to be made by the Lender under or in accordance with the Facility Annexures).

16. ATTORNEYS

Each of the attorneys executing this document states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

17. ENTIRE AGREEMENT

To the extent permitted by law, in relation to their subject matter, the MOF Finance Documents:

- (a) embody the entire understanding of the parties, and constitute the entire terms agreed by the parties; and
- (b) supersede any prior written or other agreement of the parties.

18. ENFORCEMENT

18.1 Jurisdiction

- (a) Each Borrower irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of New South Wales.
- (b) Each Borrower irrevocably and unconditionally waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum or those courts not having jurisdiction.
- (c) Each Borrower irrevocably waives any immunity in respect of its obligations under this document that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution.
- (d) The Lender may take proceedings with this document in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

This document has been entered into on the date stated in Part 1 of the Facility Particulars.

EXECUTED as an agreement

ORIGINAL BORROWERS

**EXECUTED by FOXTEL MANAGEMENT
PTY LIMITED** in accordance with s127 of
the Corporations Act 2001 (Cth):

/s/ Peter Tonagh
Signature of director

PETER TONAGH
Chief Executive Officer
Name

**EXECUTED by Austar Entertainment
Pty Limited** in accordance with s127 of
the Corporations Act 2001 (Cth):

/s/ Peter Tonagh
Signature of director

PETER TONAGH
Chief Executive Officer
Name

**EXECUTED by Austar United
Communications Pty Limited** in
accordance with s127 of the Corporations Act 2001 (Cth):

/s/ Peter Tonagh
Signature of director

PETER TONAGH
Chief Executive Officer
Name

**EXECUTED by Customer Services Pty
Limited** in accordance with s127 of the
Corporations Act 2001 (Cth):

/s/ Peter Tonagh
Signature of director

PETER TONAGH
Chief Executive Officer
Name

/s/ Lynette Ireland
Signature of secretary

LYNETTE IRELAND
Name

/s/ Lynette Ireland
Signature of secretary

LYNETTE IRELAND
Name

/s/ Lynette Ireland
Signature of secretary

LYNETTE IRELAND
Name

/s/ Lynette Ireland
Signature of secretary

LYNETTE IRELAND
Name

EXECUTED by Foxtel Finance Pty Limited in accordance with s127 of the Corporations Act 2001 (Cth):

/s/ Peter Tonagh

Signature of director

PETER TONAGH

Chief Executive Officer

Name

EXECUTED by Foxtel Australia Pty Limited in accordance with s127 of the Corporations Act 2001 (Cth):

/s/ Peter Tonagh

Signature of director

PETER TONAGH

Chief Executive Officer

Name

EXECUTED by XYZnetworks Pty Limited in accordance with s127 of the Corporations Act 2001 (Cth):

/s/ Peter Tonagh

Signature of director

PETER TONAGH

Chief Executive Officer

Name

/s/ Lynette Ireland

Signature of secretary

LYNETTE IRELAND

Name

/s/ Lynette Ireland

Signature of secretary

LYNETTE IRELAND

Name

/s/ Lynette Ireland

Signature of secretary

LYNETTE IRELAND

Name

LENDER

**SIGNED for COMMONWEALTH BANK
OF AUSTRALIA** under power of attorney
in the presence of:

/s/ Rohit Bhardwaj
Signature of witness

ROHIT BHARDWAJ
Name

/s/ David Sim
Signature of attorney

DAVID SIM
Name

24 JUNE 2013
Date of power of attorney

SCHEDULE 1

Conditions precedent

Part I

Conditions Precedent To Initial Utilisation

1. **Original Borrower**

- 1.1 A list of all Authorised Officers of the Original Borrowers, including specimen signatures of each such Authorised Officer.
- 1.2 All documents and other evidence reasonably requested by the Lender in order for the Lender to carry out all necessary “know your customer” or other similar checks in relation to each Borrower and each of its Authorised Officers under all applicable laws and regulations where such information is not already available to the recipient.

2. **Legal opinions**

- 2.1 A legal opinion of the Company’s legal counsel.

3. **Other documents and evidence**

- 3.1 Evidence that the fees, costs and expenses then due from an Original Borrower pursuant to the MOF Finance Documents (including clause 7.1 (*Fees*)) have been paid or will be paid by the first Utilisation Date.
- 3.2 An original of this document duly executed by all of the parties to it.
- 3.3 A Finance Party Nomination Letter duly executed by Foxtel Management Pty Limited nominating the Lender a **Financier Representative** and **Financier** and this document a **Finance Document** for the purposes of the Common Terms Deed Poll.
- 3.4 A Senior Debt Nomination Letter (as that term is defined in the Subordination Deed) duly executed by Foxtel Management Pty Limited nominating the Lender as a **Senior Lender Representative** and a **Senior Lender**, this document a **Senior Debt Document** and the Total Accommodation Limit a **Senior Commitment** for the purposes of the Subordination Deed.

Part II

Conditions Precedent Required To Be Delivered By An Additional Borrower

- 1. A list of all Authorised Officers of the Additional Borrower, including specimen signatures of each such Authorised Officer.
- 2. A legal opinion of the Company’s legal counsel.
- 3. A certificate in relation to the Additional Borrower given by two directors or a director and company secretary of the Additional Borrower substantially in the form of Schedule 6 of the Common Terms Deed Poll.
- 4. All documents and other evidence reasonably requested by the Lender in order for the Lender to carry out all necessary “know your customer” or other similar checks in relation to the Additional Borrower and each of its Authorised Officers under all applicable laws and regulations where such information is not already available to the recipient.

SCHEDULE 2
Utilisation Request

From: [*Borrower*]

To: Commonwealth Bank of Australia

Dated:

Dear Sirs

Multi-Option Facility Agreement dated [] (the Agreement)
Utilisation Request

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We request a Utilisation on the following terms:

Facility:	
Proposed Utilisation Date:	
Accommodation Particulars:	As set out below
Bank account(s) to which payment is to be made [<i>if relevant</i>]:	

3. The Accommodation Particulars for the requested Utilisation are as follows:

[Cash Advance Facility. Delete the table below if the Utilisation Request does not relate to this Facility.]

Principal amount of Loan:	
Term of Loan:	
Loan will be used to repay a Loan maturing on the Utilisation Date?	Yes/No [<i>delete one</i>]

[Bank Guarantee Facility. Delete the table below if the Utilisation Request does not relate to this Facility.]

Type of Bank Guarantee:	
Beneficiary:	
Face amount and currency:	

Purpose:	
Principal Obligations:	
Expiry date:	
Jurisdiction under whose laws the Bank Guarantee will be governed:	
Form of Bank Guarantee:	As attached to this Utilisation Request.
Underlying contract/agreement:	
Delivery instructions [if any]:	
Other particulars [if any]	

[Other Facility: Set out Accommodation Particulars required to be specified, if any.]

4. We confirm that each condition specified in clause 3.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request[except as described in the notice dated [] given to you, a copy of which is attached].
5. This Utilisation Request is irrevocable.

Yours faithfully

Authorised Officer for [*Name of relevant Borrower*]

Name:

Title:

SCHEDULE 3
Reallocation Request

From: [*Borrower*]

To: Commonwealth Bank of Australia

Dated:

Dear Sirs

Multi-Option Facility Agreement dated [] (the Agreement)
Reallocation Request

1. We refer to the Agreement. This is a Reallocation Request. Terms defined in the Agreement have the same meaning in this Reallocation Request unless given a different meaning in this Reallocation Request.
2. Pursuant to clause 2.3 (*Reallocation*) of the Agreement, we request that the Facility Accommodation Limits of the Multi-Option Facilities be reallocated as follows:

<u>Facility</u>	<u>Facility Accommodation Limit</u>
Cash Advance Facility	\$
Bank Guarantee Facility	\$
Group Limit Facility	\$
Corporate Card Facility	\$

3. We confirm that no Event of Default or Potential Event of Default is continuing or would result from the acceptance of this request.
4. This Reallocation Request is irrevocable.

Yours faithfully

Authorised Officer for [Name of relevant Borrower]

Name:

Title:

SCHEDULE 4
Form of Accession Letter

To: Commonwealth Bank of Australia

From: [*Subsidiary*]

Dated:

Dear Sirs

Foxtel Management Pty Limited—Multi-Option Facility Agreement
dated [] (the Agreement)

5. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
6. [*Subsidiary*] agrees to become an Additional Borrower and to be bound by the terms of the Agreement as an Additional Borrower pursuant to clause 11.1 (*Additional Borrowers*) of the Agreement. [*Subsidiary*] is a company duly incorporated under the laws of Australia.
7. [*Subsidiary's*] administrative details are as follows:
 - Address:
 - Fax No:
 - Attention:
8. This Accession Letter is governed by New South Wales law.
[*Subsidiary*]

SCHEDULE 5

Form of Resignation Letter

To: [*Lender*]

From: [*resigning Borrower*] and [*a current Borrower*]

Dated:

Dear Sirs

Multi-Option Facility Agreement

dated [] (the Agreement)

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to clause 11.2 (*Resignation of a Borrower*), we request that [*resigning Borrower*] be released from its obligations as a Borrower under the Agreement.
3. We confirm that no Event of Default or Potential Event of Default is continuing or would result from the acceptance of this request.
4. This Resignation Letter is governed by the laws of New South Wales.

[*Resigning Borrower*]

[*a current Borrower*]

By:

By:

PART C—ANNEXURES

ANNEXURE A

Cash Advance Facility

1. Definitions

In this Facility Annexure the following terms have the following meanings, unless a contrary intention appears:

Accommodation Particulars means the particulars required under clause 2 of this Facility Annexure to be specified in a Utilisation Request for the Cash Advance Facility.

Applicable Rate means, in respect of an Interest Period, the rate per annum equal to the aggregate of the Bank Bill Rate and the applicable Margin.

Bank Bill Rate means in relation to any Loan in Australian dollars:

- (a) the applicable Screen Rate as of the Specified Time for Australian dollars and for a period equal in length to the Interest Period of that Loan; or
 - (b) as otherwise determined pursuant to clause 5 (*Unavailability of Screen Rate*) of this Facility Annexure,
- and if, in either case, that rate is less than zero, the Bank Bill Rate shall be deemed to be zero.

Cash Advance Facility means the facility under which the Lender agrees to provide Loans in Australian dollars up to the Facility Accommodation Limit to the Borrowers as set out in this document.

Interest Period means, in relation to any Loan, a period equivalent to the term of that Loan as specified in the Utilisation Request for that Loan.

Interpolated Screen Rate means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time for Australian dollars.

Loan means the principal amount drawn or proposed to be drawn by a Borrower under a Utilisation Request for the Cash Advance Facility or, as appropriate, the principal amount outstanding for the time being of that loan.

Maturity Date means, In respect of a Loan, the last day of the term of that Loan as specified in the Utilisation Request for that Loan.

Outstanding Accommodation means, on any day, the aggregate amount of all Loans provided by the Lender which are still outstanding or in respect of which the Lender has not been repaid that day.

Overdue Rate means the rate equal to the aggregate of the Applicable Rate and 2.00% per annum.

Screen Rate means the Australian Bank Bill Swap Reference Rate (Bid) administered by ASX Benchmarks Pty Limited (or any other person which takes over the administration of that rate) for the relevant period and displayed on page BBSY of the Thomson Reuters Screen (or any replacement Thomson Reuters page which displays that rate). If such page or service ceases to be available, the Lender may specify another page or service displaying the relevant rate after consultation with the Company.

Specified Time means, in relation to any period for which an interest rate is to be determined, the first day of the relevant period as of 10:30 am Sydney time.

Utilisation means each utilisation of the Cash Advance Facility as provided for in this Facility Annexure.

Capitalised terms or phrases which are used in this Facility Annexure but not defined in this clause have the meanings given to them in the Master Agreement to which this Facility Annexure is attached.

2. **Accommodation Particulars**

The Accommodation Particulars to be specified in the Utilisation Request are:

- (a) the principal amount of each Loan, which must be a minimum of AUD1,000,000 and thereafter a whole multiple of AUD1,000,000, unless otherwise agreed by the Lender;
- (b) the term of each Loan, being one, two, three or six months (or such other term as the Lender may agree), the Maturity Date of which must be a Business Day within the Availability Period; and
- (c) whether the Loan is to be used for the purpose of repaying a Loan maturing on the Utilisation Date, in which case the principal amount of the Loan must be equal to the principal amount of the maturing Loan.

3. **Repayment of Loans**

- (a) Each Borrower which has drawn a Loan must repay that Loan on its Maturity Date, together with interest determined in accordance with clause 4 (Interest) of this Facility Annexure.
- (b) Without prejudice to each Borrower's obligation under paragraph (a) above, if a Loan is to be made available to a Borrower:
 - (i) on the same day that a maturing Loan is due to be repaid by that Borrower; and
 - (ii) for the purpose of refinancing the maturing Loan.

the aggregate amount of the new Loan shall be treated as if having been made available and applied by the Borrower in or towards repayment of the maturing Loan so that the relevant Borrower will not be required to make a payment.

4. **Interest**

The Borrower must pay interest at the Applicable Rate on the outstanding amount of each Loan in arrears on its Maturity Date (or at such other times or intervals as the Lender may require if the term of the Loan is in excess of 6 months). Interest accrues daily and will be calculated for the term of each Loan on the basis of a 365 day year.

5. Unavailability of Screen Rate

- (a) If no Screen Rate is available for the Bank Bill Rate for the Interest Period of a Loan, the applicable Bank Bill Rate shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan, except where the Interest Period is less than the shortest period published for the Bank Bill Rate, in which case it will be the Bank Bill Rate for the shortest period published for the Bank Bill Rate.
- (b) If no Screen Rate is available for the Bank Bill Rate for the Interest Period of a Loan and it is not possible to calculate the Interpolated Screen Rate or other rate under paragraph (a), there shall be no Bank Bill Rate for that Loan and clause 7 (*Cost of funds*) of this Facility Annexure shall apply to that Loan for the Interest Period.

6. Market disruption

If before 5pm on the Business Day after the first day for the relevant Interest Period the relevant Borrower receives notification from the Lender that as a result of market circumstances not limited to it, the cost to it of funding the Loan from whatever source it may reasonably select would be in excess of the Bank Bill Rate, then clause 7 (*Cost of funds*) of this Facility Annexure shall apply to the Loan for the relevant Interest Period.

7. Cost of funds

If this clause 7 applies, the rate of interest on the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

- (a) the Margin; and
- (b) in the circumstances described in clause 5 (*Unavailability of Screen Rate*) of this Facility Annexure or clause 6 (*Market disruption*) of this Facility Annexure, the rate notified to the relevant Borrower by the Lender to be that which expresses as a percentage rate per annum, the cost to the Lender of funding that Loan from whatever source it may reasonably select. That rate is to be notified as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period.

ANNEXURE B
Bank Guarantee Facility

1. Definitions and interpretation

(a) In this Facility Annexure the following meanings apply, unless a contrary intention appears:

Accommodation Particulars means the particulars required under clause 3 of this Facility Annexure to be specified in Utilisation Request for the Bank Guarantee Facility.

Bank Guarantee Facility means the facility under which the Lender agrees to issue or make available Bank Guarantees to the Borrowers with an aggregate face value up to the Facility Accommodation Limit as set out in this document.

Beneficiary means the beneficiary or favouree under a Bank Guarantee.

Outstanding Accommodation means, in respect of the Bank Guarantee Facility and on any date, the aggregate face amount of each Bank Guarantee (less any amounts which have been repaid in respect of a Bank Guarantee).

Principal Obligations means the obligations of the Borrower to the beneficiary in respect of which a Bank Guarantee is issued.

Utilisation means each utilisation of the Bank Guarantee Facility as provided for in this Facility Annexure.

Capitalised terms or phrases which are used in this Facility Annexure but not defined in this clause have the meanings given to them in the Master Agreement to which this Facility Annexure is attached.

(b) Unless a contrary intention appears, any reference in this Facility Annexure or in this document to:

(i) a Utilisation made or to be made to a Borrower includes a Bank Guarantee issued on its behalf;

(ii) a Borrower **repaying** or **prepaying** a Bank Guarantee means:

(A) that Borrower providing cash cover for that Bank Guarantee;

(B) that Borrower making a payment in respect of, or reimbursing an amount paid by the Lender under, the Bank Guarantee, in either case under clause 5(a) or (b) (*Payment by Borrower*) of this Facility Annexure;

(C) the maximum amount payable under the Bank Guarantee being reduced or cancelled in accordance with its terms;

(D) the Bank Guarantee being returned to the Lender;

(E) the Lender being satisfied that it has no further liability under that Bank Guarantee; or

(F) the Lender receiving in its favour a back-to-back letter of credit, bank guarantee or similar from a bank which, along with the terms (including fees and identity of the issuer) of such letter of credit, bank guarantee or similar instrument, is acceptable to the Lender in its absolute discretion,

and the amount by which a Bank Guarantee is repaid or prepaid under subparagraphs (A), (B), (C) and (F) above is the amount of the relevant cash cover, payment, reimbursement, reduction or cancellation. When under this document a Borrower is obliged to repay or prepay a Bank Guarantee, it must:

- (A) provide cash cover for the outstanding amount of the Bank Guarantee (less the total amount paid by the Lender under the Bank Guarantee); and
- (B) pay under clause 5(a) or (b) (*Payment by Borrower*) of this Facility Annexure an amount equal to the total amount paid by the Lender under the Bank Guarantee,

except to the extent that the amount of the Bank Guarantee has been repaid or prepaid by another means.

- (iii) an amount borrowed includes any amount utilised by way of Bank Guarantee;
 - (iv) amounts outstanding under this document include amounts outstanding under or in respect of any Bank Guarantee;
 - (v) an outstanding amount of a Bank Guarantee at any time is the maximum amount that is or may be payable by the relevant Borrower in respect of that Bank Guarantee at that time;
 - (vi) a Borrower's obligation on Utilisations becoming **due and payable** includes the Borrower repaying any Bank Guarantee in accordance with subparagraph (ii) above.
 - (vii) a Borrower providing **cash cover** for a Bank Guarantee means a Borrower paying an amount in the currency of the Bank Guarantee to an account in the name of the Borrower (whether or not interest bearing) and the following conditions being met;
 - (A) the account is with the Lender;
 - (B) until no amount is or may be outstanding under that Bank Guarantee, withdrawals from the account may only be made to pay the Lender amounts due and payable to it under this document in respect of that Bank Guarantee, or otherwise as agreed in writing by the Lender;
 - (C) the Borrower shall be entitled to accrued interest on the cash cover; and
 - (D) if the Lender, requests it, the Borrower has executed a security document, in form and substance satisfactory to the Lender, creating a first ranking security interest over that account.
- (c) Unless the Lender otherwise agrees, the Facility Accommodation Limit for the Bank Guarantee Facility will be calculated ignoring any cash cover provided for outstanding Bank Guarantees.

2. Facility Documentation

- (a) The relevant Borrower must execute such documents (including without limitation in respect of Bank Guarantees which are to be cash covered, an account set off in the Lender's usual form) as are required by the Lender before each Utilisation of the Bank Guarantee Facility.
- (b) All Facility Documentation pursuant to which Accommodation under the Bank Guarantee Facility is to be provided must conform, in form and substance, to the Lender's standard documentation for the provision of such Accommodation.
- (c) The form, the Principal Obligations and the Beneficiary of each Bank Guarantee must be acceptable to the Lender.

3. Accommodation Particulars

- (a) The Accommodation Particulars to be specified in the Utilisation Request are:
 - (i) the type of Bank Guarantee requested by the relevant Borrower;
 - (i) the type of Bank Guarantee requested by the relevant Borrower;
 - (ii) the Beneficiary;
 - (iii) the face amount and currency (which must be the Base Currency);
 - (iv) the purpose and the Principal Obligations;
 - (v) the expiry date (which must be a date within the Availability Period of the Facility unless otherwise agreed by the Lender);
 - (vi) the jurisdiction under whose laws the Bank Guarantee will be governed (which must be an Australian State and must be specified in the Bank Guarantee);
 - (vii) the form of the Bank Guarantee (which must be in such form as the Lender requires and include the minimum requirements set out in paragraph (c), unless otherwise agreed in writing by the Lender);
 - (viii) the underlying contract or agreement in respect of which the Bank Guarantee is to be issued is specified (if applicable);
 - (ix) the delivery instructions for the Bank Guarantee (if applicable); and
 - (x) any other particulars required to establish that Bank Guarantee.
- (b) The face amount of the Bank Guarantee must not be more than the Facility Accommodation Limit for the Bank Guarantee Facility.
- (c) The minimum requirements for the form of the Bank Guarantee are as follows:
 - (i) It must have a maximum aggregate liability;
 - (ii) It must permit early termination by the Lender by the payment of money;
 - (iii) It should contain no other obligation on the Lender other than the payment of money;
 - (iv) It should be payable at the Facility Office of the Lender;
 - (v) It must be payable on a Business Day;

- (vi) There should be a clear statement as to the circumstances under which payment is to be made and to whom payment should be made; and
- (vii) There should be a non-assignment clause.

4. **Authority to make payment**

- (a) The relevant Borrower irrevocably authorises the Lender to immediately pay any amount demanded by a Beneficiary at any time pursuant to a Bank Guarantee and to make any payment under clause 8 (*Voluntary Payout*) of the Facility Annexure (in this Facility Annexure, each a **claim**).
- (b) The Lender need not:
 - (i) first refer to the relevant Borrower or obtain its authority for the payment;
 - (ii) enquire whether a demand has been properly made;
 - (iii) enquire as to the validity, genuineness or accuracy of any statement, certificate or other document issued in relation to a claim; or
 - (iv) carry out any investigation or seek any confirmation from any other person before making the payment.
- (c) The relevant Borrower acknowledges that the Lender:
 - (i) may make payments under a Bank Guarantee by any means that it determines;
 - (ii) may make any payments under a Bank Guarantee despite any direction by the Borrower to the Lender not to pay, any dispute between the Borrower and the Lender as to the Lender's obligation to pay, any dispute between the Borrower and the Beneficiary or any claim by the Borrower that a claim under the Bank Guarantee is not valid;
 - (iii) may refuse to make a payment under a Bank Guarantee (in its absolute discretion) where it considers that a claim under, or any other document presented under the Bank Guarantee does not comply with the terms of the Bank Guarantee; and
 - (iv) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.

5. **Payment by Borrower**

- (a) The relevant Borrower must pay the Lender all amounts paid or required to be paid by the Lender under:
 - (i) a Bank Guarantee; or
 - (ii) clause 8 (*Voluntary Payout*) of this Facility Annexure,

on the day on which the Lender makes or is required to make that payment (and if that Borrower does not do so, interest shall accrue on those amounts from that date up to the actual date of payment in accordance with clause 6.2 (*Default interest*) of the Master Agreement).

- (b) Without prejudice to the relevant Borrower's obligation under paragraph 5(a), that Borrower shall immediately on demand indemnify the Lender against any cost, loss or liability incurred by the Lender (otherwise than by reason of the Lender's gross negligence or wilful misconduct) in acting as the Lender under any Bank Guarantee requested by that Borrower (including as a result of the Lender making a payment under clause 8 (*Voluntary Payout*) of this Facility Annexure).

6. Borrower's unconditional obligations

- (a) The Borrowers' obligations under clause 5 (*Payment by Borrower*) of this Facility Annexure are absolute and unconditional and not subject to any reduction, termination or other impairment by any set off, deduction, counterclaim, agreement, defence, suspension, deferment or otherwise.
- (b) The Borrowers' liability under this clause is not affected by any circumstance, act or omission which, but for this subclause, might otherwise affect its liability at law or in equity, including:
- (i) any falsity, inaccuracy, non-conformity, insufficiency or forgery of or in any demand, certificate, declaration or other document that on its face purports to be signed or authorised under a Bank Guarantee;
 - (ii) any failure by the Lender to enquire whether a communication, demand or other document under a Bank Guarantee has been inaccurately transmitted or received, or has been signed or sent by an unauthorised person;
 - (iii) the impossibility or illegality of performance of or any invalidity of or affecting any MOF Finance Document, the Principal Obligations intended to be secured by a Bank Guarantee or any other agreement, document or transaction;
 - (iv) any act of a Government Agency, court, arbitral body, agency, authority or any person affecting the terms of any MOF Finance Document, the Principal Obligations intended to be secured by a Bank Guarantee or any other document or transaction;
 - (v) the application of any law or regulation affecting any Bank Guarantee;
 - (vi) any failure to obtain an Authorisation required or desirable in connection with this document or any Bank Guarantee, or any incapacity of, or limitation on the powers of, any person signing a claim or other document; or
 - (vii) anything else (foreseen or unforeseen), whether or not similar to any of the above, that affects any MOF Finance Document, the Principal Obligations intended to be secured by a Bank Guarantee or any other agreement, document or transaction.
- (c) The Lender is not obliged to enquire into any of the matters mentioned in paragraphs (a) and (b) of this clause.

7. Expiring Bank Guarantees

An amount equal to the amount of each Bank Guarantee which, before the end of the Availability Period, is repaid in full or expires without being called on or which is called on and paid by the relevant Borrower to the Lender in accordance with clause 5 (*Payment by Borrower*) of this Facility Annexure will again be available for utilisation in accordance with the terms of this document.

8. Voluntary Payout

If an Event of Default is continuing, the Lender may discharge its liability under a Bank Guarantee at any time by paying to the Beneficiary the outstanding amount of the Bank Guarantee or any lesser amount specified by the Beneficiary. The Lender may debit any account of the relevant Borrower with the amount so paid.

9. Illegality

- (a) Without limiting clause 8 (*Voluntary Payout*) of this Facility Annexure, if any Change of Law or other event makes it illegal for the Lender to perform its obligations under any Bank Guarantee or maintain financial accommodation or commitment under the Bank Guarantee Facility, the Lender may following notice to the Borrowers, discharge its liability under a Bank Guarantee at any time on and from the date which is 40 Business Days after the date on which the Lender gives notice or any earlier date required by, or to comply with, the applicable law, by paying to the Beneficiary the outstanding amount of the Bank Guarantee or any lesser amount specified by the Beneficiary. The Lender may debit any account of the Borrower with the amount so paid.
- (b) A notice to a Borrower under clause 19(a) of this Facility Annexure is irrevocable.
- (c) If requested by a Borrower, the Lender must transfer its participation under the Bank Guarantee Facility, on terms and conditions satisfactory to the Lender (acting reasonably), to a person proposed by the relevant Borrower.

10. Illegality in relation to Bank Guarantees

If it becomes unlawful (or impossible as a result of a change in law or regulation) for the Lender to issue or leave outstanding any Bank Guarantee, then:

- (a) the Lender shall promptly notify the Company upon becoming aware of that event;
- (b) upon the Lender notifying the Company, the Lender shall not be obliged to issue any Bank Guarantee;
- (c) each Borrower shall use its best endeavours to procure the release of each Bank Guarantee issued by the Lender and outstanding at such time on or before the date specified by the Lender in the notice delivered to the Company (being no earlier than the last day of any applicable grace period permitted by law); and
- (d) the Bank Guarantee Facility shall cease to be available for the issue of Bank Guarantees.

11. UCP600

None of the foregoing provisions shall operate so as to modify rights and obligations of the Lender and a Borrower under Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Brochure Number 600 (known as UCP600).

12. Existing Bank Guarantees

Each Bank Guarantee specified below has been issued or is deemed to be issued by the Lender at the request of the relevant Borrower under the Bank Guarantee Facility.

CUSTOMER STATUS REPORT AS AT 13/06/2017 11:39
CUSTOMER - FOXTEL MANAGEMENT PTY LTD
CUSTOMER NUMBER - 00252021

FAVOREE	LAIBILITY NUMBER	ISSUE DATE	EXPIRY DATE	CURR	LAIBILITY AMOUNT
ACPP Office Pty Ltd	G1 00218868	14/04/2005	31/03/2018	AUD	\$ 678,067.69
ACPP Office Pty Limited	G3 00226185	04/07/2005	31/03/2019	AUD	\$ 1,896,017.26
ACPP Office Pty Ltd	G1 00227332	19/07/2005	31/03/2018	AUD	\$ 440,000.00
Investa Properties Limited	G3 00237296	28/11/2005		AUD	\$ 30,360.00
Highpoint Shopping Centres Pty Limited	G3 00244472	13/03/2006		AUD	\$ 15,000.00
TRUST COMPANY LIMITED ABN 59 004 027 749	G3 00295885	09/01/2008		AUD	\$ 149,248.58
WESTFIELD MANAGEMENT LTD AS RESPONSIBLE ENTITY OF	G3 00344376	10/12/2009		AUD	\$ 17,847.92
Trust Company of Australia	G3 00381020	17/03/2011		AUD	\$ 2,586,816.41
COLONIAL FIRST STATE ASSET MANAGEMENT PTY LIMITED	G3 00430683	12/11/2012		AUD	\$ 178,219.26
AUSTRALIAN EXECUTOR TRUSTEES LIMITED	G3 00511281	05/06/2015	31/03/2024	AUD	\$ 1,000,000.00
THE TRUST COMPANY LIMITED	G3 00513332	01/07/2015		AUD	\$ 239,886.98
Scentre Management Limited ACN 001 670 579	G3 00518634	26/08/2015		AUD	\$ 46,393.96
Eastgardens Pty Ltd ACN 002 365 326	G3 00518635	26/08/2015		AUD	\$ 36,878.96
Scentre Custodian Pty Limited	G3 00518636	26/08/2015		AUD	\$ 29,489.90
Kent Street Pty Limited ACN 006 794 654 AND Scent	G3 00518637	26/08/2015		AUD	\$ 27,295.04
Perpetual Trustee Company Limited ACN 000 001 007	G3 00518638	26/08/2015		AUD	\$ 35,757.34
Stonehenge Pty Limited ACN 095 084 674	G3 00518639	26/08/2015		AUD	\$ 26,928.32
Scentre Management Limited ACN 001 670 579 AND REt	G3 00518640	26/08/2015		AUD	\$ 25,828.36
P.T. Limited ACN 004 454 666	G3 00518641	26/08/2015		AUD	\$ 28,328.30
P.T. Limited ACN 004 454 666 AND Doncaster Shoppin	G3 00518642	26/08/2015		AUD	\$ 44,927.30
P.T. Limited ACN 004 454 666 as constructive trust	G3 00518643	26/08/2015		AUD	\$ 32,428.36
Perron Investments Pty Ltd ACN 000 003 976 AND See	G3 00518644	26/08/2015		AUD	\$ 24,361.92
Scentre Management Limited ACN 001 670 579 AND SAS	G3 00518646	26/08/2015		AUD	\$ 36,645.08
Ventana Pty Limited ACN 008 586 543	G3 00518647	26/08/2015		AUD	\$ 36,550.48
Scentre Management Limited ACN 001 670 579 as resp	G3 00518648	26/08/2015		AUD	\$ 33,345.62
Scentre Management Limited ACN 001 670 579 as resp	G3 00518649	26/08/2015		AUD	\$ 33,161.70
Scenre Management Limited ACN 001 670 579 as resp	G3 00518650	26/08/2015		AUD	\$ 32,061.70
PT Limited ACN 004 454 666 as custodian of the See	G3 00518652	26/08/2015		AUD	\$ 38,685.06
PT Limited ACN 004 454 666 as custodian of the See	G3 00518653	26/08/2015		AUD	\$ 5,907.32
Tea Tree Plaza Nominees Pty Limited ACN 008 586 45	G3 00518664	26/08/2015		AUD	\$ 5,148.23
CENTRE MANAGEMENT LIMITED ACN 001 670 579 AND RE1	G3 00532989	25/02/2016		AUD	\$ 23,455.70
MIRVAC FUNDS LIMITED ACN 002 561 640	G3 00568068	11/05/2017	30/06/2021	AUD	\$ 1,270,637.17
DARWIN CITY COUNCIL	G3 00031420	13/06/1996		AUD	\$ 50,000.00
DEPARTMENT OF TRANSPORT & WORKS - NORTH TERRITORY	G3 00031564	10/07/1996		AUD	\$ 10,000.00
DEPARTMENT OF TRANSPORT & WORKS - NORTH TERRITORY	G3 00031565	10/07/1996		AUD	\$ 15,000.00
PALMERSTON TOWN COUNCIL	G3 00031976	23/08/1996		AUD	\$ 20,000.00
PALMERSTON TOWN COUNCIL	G3 00031977	23/08/1996		AUD	\$ 20,000.00
PALMERSTON TOWN COUNCIL	G3 00031978	23/08/1996		AUD	\$ 20,000.00
PALMERSTON TOWN COUNCIL	G3 00031979	23/08/1996		AUD	\$ 13,000.00
PALMERSTON TOWN COUNCIL	G3 00031980	23/08/1996		AUD	\$ 13,000.00
PALMERSTON TOWN COUNCIL	G3 00031981	35300		AUD	\$ 14,000.00
					\$ 9,280,659.92

ANNEXURE C
Corporate Card Facility

1. Definitions

In this Facility Annexure the following meanings apply, unless a contrary intention applies.

Applicable Facility Conditions means the Lender's current terms and conditions for Corporate Card Facilities as amended or replaced from time to time.

Corporate Card Facility means the facility under which the Lender agrees to make available Accommodation to the Borrowers by way of corporate credit cards up to the Facility Accommodation Limit as set out in this document.

Facility Conditions Precedent means compliance with each item set out in clause 2 (*Facility Conditions Precedent*) of this Facility Annexure.

Outstanding Accommodation means, on any day, the aggregate of all amounts owing, due or payable under the Corporate Card Facility on such date, as determined by the Lender in accordance with its usual practices.

Utilisation means each utilisation of the Facility as provided for in this Facility Annexure.

2. Facility Conditions Precedent

- (a) The relevant Borrower must execute such Facility Documentation as is required by the Lender before each Utilisation of the Corporate Card Facility.
- (b) All Facility Documentation pursuant to which Accommodation under the Corporate Card Facility is to be provided must conform, in form and substance, to the Lender's standard documentation applicable for the provision of such Accommodation.
- (c) Any conditions precedent to the provision of Accommodation under the Corporate Card Facility contained in such Facility Documentation are Facility Conditions Precedent.

3. No Utilisation Request required

Despite anything else in this document, no Utilisation Request is required in respect of any proposed Utilisation of the Corporate Card Facility.

4. Utilisation and Facility Accommodation Limit

- (a) Subject to the Facility Documentation and the provisions of this document, the Lender may provide Accommodation under the Corporate Card Facility in such form as the Lender determines.
- (b) If there is a conflict between the provisions of this document and the provisions of any Facility Documentation, then the provisions of this document apply unless otherwise agreed between the Lender and the Company.
- (c) The Facility Accommodation Limit applies in relation to all corporate credit card finance provided under the Corporate Card Facility. In addition each corporate credit card will be subject to a separate sub-limit determined by the Lender.

5. Prepayment

Despite clause 5.4 (*Voluntary prepayment*) of the Master Agreement:

- (a) a Borrower is not required to give notice to the Lender before prepaying any part of the Outstanding Accommodation;
- (b) no minimum amount or multiple is required for such prepayment;
- (c) any amount prepaid will be available to a Borrower by way of fresh Utilisations; and
- (d) no amounts will be payable in respect of break costs in relation to such prepayment.

6. Repayment and Cancellation

Despite anything else in this document:

- (a) the relevant Borrower must pay the Outstanding Accommodation in respect of the Corporate Card Facility on demand by the Lender;
- (b) the Lender may by notice to the Company, cancel any obligation of the Lender to provide any further Accommodation under the Corporate Card Facility; and
- (c) the Lender may make a demand or give a notice of cancellation, or do both, at any time in its absolute discretion.

ANNEXURE D
Group Limit Facility

1. Definitions

In this Facility Annexure the following meanings apply, unless a contrary intention applies.

Applicable Facility Conditions means the Lender's current terms and conditions for Group Limit Facilities as amended or replaced from time to time.

Cap Limit has the meaning given to that term in Part 4 of the Facility Particulars.

Group Limit has the meaning given to that term in Part 4 of the Facility Particulars.

Group Limit Facility means the facility under which the Lender agrees to make available AUD denominated overdraft Accommodation to the Borrowers up to the Facility Accommodation Limit, through a number of accounts which the Lender is entitled to treat as a single account, as set out in this document.

Outstanding Accommodation means, on any day, the aggregate of all amounts owing, due or payable under the Group Limit Facility (whether actual, contingent or otherwise) on such date, as determined by the Lender in accordance with its usual practices.

Utilisation means each utilisation of the Group Limit Facility as provided for in this Facility Annexure,

Capitalised terms or phrases which are used in this Facility Annexure but not defined in this clause have the meanings given to them in the Master Agreement to which this Facility Annexure is attached.

2. Facility Documentation

All Facility Documentation pursuant to which Accommodation under the Group Limit Facility is to be provided must conform, in form and substance, to the Lender's standard documentation applicable for the provision of such Accommodation. The Lender acknowledges that on the date of this document all Facility Documentation required by the Lender has been executed and conforms, in form and substance, to the Lender's standard documentation applicable for the provision of such Accommodation.

3. No Utilisation Request required

Despite anything else in this document, no Utilisation Request is required in respect of any proposed Utilisation of the Group Limit Facility.

4. Utilisations

- (a) Subject to the Facility Documentation and the provisions of this document, the Lender will provide Utilisations under the Group Limit Facility.
- (b) If there is a conflict between the provisions of this document and any Facility Documentation, then the provisions of this document apply unless otherwise agreed between the Lender and the Company.
- (c) Any references in the Applicable Facility Conditions to the "Schedule" shall be deemed to be references to Part 4 of the Facility Particulars, unless otherwise agreed between the Borrowers and the Lender. This does not affect the right of the Lender to issue replacement or supplemental "Schedules" in accordance with the Applicable Facility Conditions.

5. **Variation of limits**

Despite any other provision of this document, the Lender may at any time in its absolute discretion cancel or vary the Cap Limit or the Group Limit for the Facility.

6. **Repayment and cancellation**

Despite any other provision of this document:

- (a) the relevant Borrower must pay the Outstanding Accommodation in respect of the Group Limit Facility on demand by the Lender;
- (b) the Lender may also, by notice to the Company, cancel any obligation of the Lender to provide any further Accommodation under the Group Limit Facility; and
- (c) the Lender may make a demand or give a notice of cancellation, or do both, at any time in its absolute discretion.



Common Terms Deed Poll

FOXTEL Management Pty Ltd

Each party listed in Schedule 1

Allens Arthur Robison
Level 28
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.aar.com.au

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Common Terms Deed Poll

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Date 10 April 2012

Parties

1. **FOXTEL Management Pty Limited** ABN 65 068 671 938 of 5 Thomas Holt Drive, North Ryde, NSW, 2113 in its own capacity (*FOXTEL*); and
2. **Each entity listed in Schedule 1** (each an *Initial Guarantor*).

Recitals

- A The Finance Parties have or may from time to time provide financial accommodation to FOXTEL or the Guarantors.
- B FOXTEL and the Guarantors enter into this Deed Poll for valuable consideration.
- C It is a condition to the obligation of the Finance Parties to extend or continue extending financial accommodation to or at the request of the Borrowers that FOXTEL and the Initial Guarantors enter into this Deed Poll.

It is agreed as follows.

1. Definitions and interpretation

1.1 Definitions

In this Deed Poll:

Accounting Standards means accounting standards, principles and practices applying by law or otherwise generally accepted, and consistently applied, in Australia.

Additional Guarantor means a person who becomes an additional guarantor in accordance with clause 8.17.

Approved Auditor means:

- (a) PricewaterhouseCoopers;
- (b) KPMG;
- (c) Ernst & Young;
- (d) Deloitte; or
- (e) such other firm of chartered accountants as is approved by each Financier Representative (acting reasonably).

Approved Hedging Policy means the hedging policies and procedures approved by the directors of FOXTEL from time to time.

Artist Services means Artist Services Cable Management Pty Limited (ABN 97 072 725 289).

ASIC means the Australian Securities and Investments Commission.

Associate means an associate as defined in section 318 of the Tax Act.

Auditor means, in relation to the FOXTEL Group, the Approved Auditor from time to time selected as its auditor by the FOXTEL Agent.

Authorisation means:

- (a) any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption; or
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.

Bill means a bill of exchange as defined in the *Bills of Exchange Act 1909* (Cth).

Borrower means, in relation to a Finance Document, each member of the FOXTEL Group who incurs liability (otherwise than under a Guarantee) in respect of Finance Debt (actually or contingently):

- (a) as a borrower under a credit or other borrowing facility made available to it under that Finance Document;
- (b) as the person for whose account a Guarantee is issued under that Finance Document;
- (c) if that Finance Document is a Swap Agreement, as the counterparty under that Swap Agreement and any transaction entered into under that Swap Agreement; or
- (d) as the counterparty under that Finance Document,

in each case whether as an original party to that Finance Document or as a party who has acceded to or otherwise become bound by that Finance Document in accordance with its terms.

Business means the business, conducted from time to time by the FOXTEL Group, of video entertainment and related services for delivery on any form of technology for which subscribers must pay a fee (other than in respect of the retransmitted national and commercial television broadcast services), including the right to bundle these services with third party telecommunications services, provide access to FOXTEL Group STUs to access seekers and make the services available on a wholesale basis including to infrastructure operators.

Business Day means a day on which banks are open for business in Sydney excluding a Saturday, Sunday or public holiday.

Calculation Date means the last day of each March, June, September and December.

Calculation Period means a 12 month period ending on a Calculation Date.

Change in Law means the commencement of, introduction of or change in any law, regulation, treaty, order or official directive or request including any law with regard to capital adequacy, prudential limits, liquidity, reserve requirement ratio, liquidity ratio, liabilities ratio or other requirement or restriction (which, if not having the force of law, would be complied with by a responsible financial institution) which:

- (a) occurs after the date of this Deed Poll; and
- (b) does not relate to a change in Tax imposed on the overall net income of a Financier.

CMH means Consolidated Media Holdings Limited (ABN 52 009 071 167) (formerly known as Publishing and Broadcasting Limited).

Compliance Certificate means a certificate in the form of schedule 4.

Control means control as defined in section 50AA of the Corporations Act.

Controller has the meaning given to the word 'controller' in the Corporations Act.

Corporations Act means the *Corporations Act* 2001 (Cth).

Customer Services means Customer Services Pty Limited (ACN 069 272 117).

Deed of Release means a deed of release substantially in the form of schedule 7.

Default means:

- (a) an Event of Default; or
- (b) a Potential Event of Default.

Distribution means any payment or distribution (in cash or in kind), including by interest, dividend, return of capital, repayment or redemption, to or for the benefit of any Shareholder, Partner or Associate of any of them (other than a member of the FOXTEL Group), but excluding any payment made as consideration for the supply of goods or services by any Shareholder, Partner or Associate which is not made in excess of a payment on arms length commercial terms.

Dollars, A\$ and \$ means the lawful currency of the Commonwealth of Australia.

EBITDA means, in respect of any period, the total amount of consolidated earnings before:

- (a) interest;
- (b) Tax;
- (c) depreciation and amortisation;
- (d) any amounts relating to the impairment of assets;
- (e) items of income or expense which are considered to be outside the ordinary course of business and are regarded as 'exceptional items' or 'significant items' (or another term in place of that term) in the accounts; and
- (f) fair value adjustments of financial derivatives that are not effective hedging instruments under the Accounting Standards, of the FOXTEL Group as shown in the most recent Compliance Certificate delivered under clause 5.1 for that period, as supported by the relevant accounts.

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes any agreement to grant or create any of the above.

For the avoidance of doubt, it excludes an interest that is a 'security interest' for the purposes of section 12(3) of the PPSA if that interest does not in substance secure payment of money or performance of an obligation.

Environmental Law means any law, whether statute or common law including regulations, relating to environmental matters, and includes any law concerning land use, development, pollution, waste disposal, toxic and hazardous substances, conservation of natural or cultural resources and resource allocation (including any law relating to exploration for, or development or exploitation of, any natural resource), use of dangerous goods, the protection of human health or any other aspect of protection of the environment.

Equity means amounts provided, or to be provided, by a Shareholder or Partner to the FOXTEL Agent in cash by way of:

- (a) partnership capital contributions;
- (b) Subordinated Debt; or
- (c) such other form agreed by each Financier Representative.

Establishment Agreement means:

- (a) the FOXTEL Television Partnership Agreement;
- (b) the FOXTEL Partnership Agreement; and
- (c) the Management Agreement dated 14 April 1997 between the FOXTEL Television Partnership, FOXTEL and FOXTEL Cable as amended by the deed dated 21 November 2002 between FOXTEL, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, CMH, each Partner, Telstra, Telstra Multimedia and News.

Event of Default means any event specified in clause 6.1 or any other event agreed in writing to be an Event of Default for the purposes of this Deed Poll by FOXTEL and the Financier Representatives.

Excluded Tax means:

- (a) GST;
- (b) a Tax imposed upon any Finance Party as a result of that person not providing an Australian Business Number when requested by FOXTEL; or
- (c) a Tax imposed by any jurisdiction on the net income of any Finance Party.

Finally Paid means, in respect of the Guaranteed Moneys or any other monetary liability, satisfaction of the following conditions:

- (a) payment or satisfaction of it in full; and
- (b) during the 6 month period from and including the day after the payment or satisfaction, no person, including a Transaction Party, liquidator, provisional liquidator, administrator, official manager, trustee in bankruptcy, receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official, exercises a right to recoup or claim repayment of any part of the amount paid or satisfied, whether under the laws of preferences, fraudulent dispositions or otherwise.

Finance Debt means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill of exchange, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) Guarantee;
- (d) Swap Agreement;
- (e) finance or capital lease;
- (f) agreement for the deferral (of at least 120 days) of a purchase price or other payment in relation to the acquisition of any asset or service;
- (g) obligation to deliver goods or provide services paid for in advance by any financier; or
- (h) agreement for the payment of capital or premium on the redemption of any preference shares;

and irrespective of whether the debt or liability:

- (i) is present or future;
- (j) is actual, prospective, contingent or otherwise;
- (k) is at any time ascertained or unascertained;
- (l) is owed or incurred alone or severally or jointly or both with any other person; or
- (m) comprises any combination of the above.

Finance Document means:

- (a) this Deed Poll;
- (b) any Guarantee Assumption Deed Poll;
- (c) with respect to a Financier or its Financier Representative:
 - (i) each document designated as such in a Finance Party Nomination Letter (which may include a Syndicated Facility Agreement or a Swap Agreement); and
 - (ii) each other document which FOXTEL and that Financier or its Financier Representative may from time to time agree is a Finance Document;

- (d) any Deed of Release; and
- (e) any other document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any of the above.

Finance Party means:

- (a) any Financier Representative; or
- (b) any Financier,

unless they have ceased to be a Finance Party in accordance with this Deed Poll.

Finance Party Nomination Letter means, in relation to a Finance Party, a letter substantially in the form of schedule 2.

Financial Report means, in relation to an entity, the following financial statements and information in relation to the entity:

- (a) a statement of financial performance;
- (b) a statement of financial position; and
- (c) a statement of cashflows.

Financial Ratio means an undertaking described at clause 5.12.

Financier means each person designated as a 'Financier' in a Finance Party Nomination Letter.

Financier Representative means, in relation to a Financier:

- (a) the person designated as that Financier's Financier Representative in the relevant Finance Party Nomination Letter; or
- (b) if no such person is designated, that Financier.

FOXTEL Agent means FOXTEL Management Pty Limited as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership.

FOXTEL Cable means FOXTEL Cable Television Pty Limited (ACN 069 008 797).

FOXTEL Group means:

- (a) the FOXTEL Partnership;
- (b) the FOXTEL Television Partnership;
- (c) FOXTEL Management Pty Limited, in its own capacity, as FOXTEL Agent and as agent for the FOXTEL Television Partnership;
- (d) FOXTEL Cable;
- (e) Customer Services;
- (f) Artist Services;
- (g) Racing Channel; and
- (h) each wholly-owned subsidiary of each of the entities described at paragraphs (a) to (g) above.

FOXTEL Partnership means the partnership constituted by the FOXTEL Partnership Agreement.

FOXTEL Partnership Agreement means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and FOXTEL as amended by the deed dated 21 November 2002 between FOXTEL, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, CMH, each Partner, Telstra, Telstra Multimedia and News.

FOXTEL Television Partnership means the partnership constituted by the FOXTEL Television Partnership Agreement.

FOXTEL Television Partnership Agreement means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and FOXTEL Cable as amended by the deed dated 21 November 2002 between FOXTEL, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, CMH, each Partner, Telstra, Telstra Multimedia and News.

Funding Period means any interest period, funding period or other period (whatever called) by reference to which interest rates applicable to any financial accommodation provide under a Finance Document are calculated or determined.

Good Business Practice means the exercise of the standard of skill, prudence and operating, management and business practice which would reasonably and ordinarily be expected from a skilled and experienced owner and operator engaged in the same business as the Business under similar circumstances.

Government Agency means any government or any governmental, semi governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

Group Structure Diagram means the group structure diagram in schedule 3, as amended or updated by the delivery of a new diagram under clause 5.1(d).

GST means the goods and services tax levied under the GST Act.

GST Act means a *New Tax System (Goods and Services Tax) Act 1999* (Cth).

Guarantee means any guarantee, suretyship, letter of credit, letter of comfort or any other obligation:

- (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;
- (b) to indemnify any person against the consequences of default in the payment of; or
- (c) to be responsible for,

any debt or monetary liability of another person or the assumption of any responsibility or obligation in respect of the insolvency or the financial condition of any other person.

Guarantee Assumption Deed Poll means a deed poll substantially in the form of schedule 5.

Guaranteed Moneys means all debts and monetary liabilities of each Transaction Party to the Finance Parties under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:

- (a) are present or future;
- (b) are actual, prospective, contingent or otherwise;
- (c) are at any time ascertained or unascertained;
- (d) are owed or incurred by or on account of any Transaction Party alone, or severally or jointly with any other person;
- (e) are owed to or incurred for the account of any Finance Party alone, or severally or jointly with any other person;
- (f) are owed to any other person as agent (whether disclosed or not) for or on behalf of any Finance Party;
- (g) are owed or incurred as principal, interest, fees, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account;
- (h) are owed to or incurred for the account of any Finance Party directly or as a result of:
 - (i) the assignment or transfer to any Finance Party of any debt or liability of any Transaction Party (whether by way of assignment, transfer or otherwise); or
 - (ii) any other dealing with any such debt or liability;
- (i) are owed to or incurred for the account of a Finance Party before the date of this Deed Poll, or before the date of any assignment of any Finance Document to any Finance Party by any other person or otherwise; or
- (j) comprise any combination of the above.

Guarantor means:

- (a) any Initial Guarantor; or
- (b) any Additional Guarantor,

who has not ceased to be a Guarantor in accordance with clause 8.19 of this Deed Poll.

Indemnified Party means any Finance Party and, for the purposes of clause 11 only, includes each affiliate, director, officer, employee or agent of or advisor to a Finance Party.

Insolvency Event means an event described in clause 6.1(f) or (g).

Insurance means the insurances required to be taken out under clause 5.7.

Intellectual Property means:

- (a) all trade secrets, confidential information, know-how, patents, trade marks, designs, service marks, business names, copyright and computer programmes which are material to the Business; and
- (b) any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for same.

Interest Cover Ratio means, in respect of any period ending on a Calculation Date, the ratio of A:B where:

‘A’ is EBITDA for that period; and

‘B’ is Interest Service for that period.

Interest Expenses means interest and amounts in the nature of, or having a similar purpose or effect to, interest and includes:

- (a) discount on a Bill or other instrument;
- (b) fees and amounts incurred on a regular or recurring basis, such as line fees; and
- (c) capitalised amounts of the same or similar name to the foregoing.

Interest Service means, in respect of any period, without double counting:

- (a) the aggregate amount of all Interest Expenses, rentals, any other recurrent payments of a similar nature (including gross-ups and increased cost payments) and any other recurring fees, costs and expenses paid during that period, in each case under or in relation to any Finance Debt of any member of the FOXTEL Group which shall not include any such payments in respect of transactions between any 2 members of the FOXTEL Group;

plus or minus

- (b) the net amount of any difference between payments by or to a Transaction Party under the Swap Agreements relating to interest rates during that period.

Loss means any claim, action, damage, loss, liability, cost, charge, expense, outgoing or payment.

Material Adverse Effect means a material adverse effect upon:

- (a) the ability of a Transaction Party to perform any of its obligations (other than any immaterial obligation) under any Finance Document;
- (b) the rights and remedies of a Finance Party under the Finance Documents;
- (c) the validity or enforceability of the whole or any material part of a Finance Document;
- (d) the assets, business, operations or financial condition of the FOXTEL Group as a whole.

Material Document means:

- (a) any Finance Document;
- (b) each Establishment Agreement; and
- (c) any other document as agreed by FOXTEL and a Financier Representative.

News means News Australia Pty Limited (ABN 40 007 910 330).

Officer means:

- (a) in relation to a Transaction Party or a Shareholder, a director or a secretary, or a person notified to be an authorised officer, of the Transaction Party or Shareholder (as the case may be) or in the case of the FOXTEL Partnership and the FOXTEL Television Partnership, a director or a secretary or a person notified to be an authorised officer of the FOXTEL Agent; and
- (b) in relation to a Finance Party, any person whose title includes the word 'Director', 'Managing Director', 'Head', 'Executive', 'Manager' or 'Vice President', and any other person appointed by the Finance Party to act as its authorised officer for the purposes of the Finance Documents.

Partner means:

- (a) Sky Cable; or
- (b) Telstra Media.

Partnership Property means, in respect of a Partner, all of the present and future undertakings, assets and rights of that Partner in and to the undertakings, assets and rights of the FOXTEL Partnership or the FOXTEL Television Partnership (as applicable). It does not include any undertakings, assets or interests of a Partner held in its personal or other capacity.

Permitted Distribution means a Distribution made where the conditions in clause 5.8 are satisfied.

Permitted Encumbrance means:

- (a) a lien arising by operation of law in the ordinary course of its business securing:
 - (i) an obligation that is not yet due; or
 - (ii) if due but unpaid, indebtedness which is being contested in good faith;
- (b) retention of title arrangements entered into in the ordinary course of its ordinary business for a period of less than 120 days;
- (c) an Encumbrance over or affecting any asset acquired by a member of the FOXTEL Group after the date of this Deed Poll if:
 - (i) it was not created in contemplation of the acquisition of that asset by a member of the FOXTEL Group;
 - (ii) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the FOXTEL Group; and
 - (iii) it is removed or discharged within 3 months of the date of acquisition of such asset;

- (d) an Encumbrance over or affecting any asset of an entity which becomes a member of the FOXTEL Group after the date of this Deed Poll, where the Encumbrance is created prior to the date on which that entity becomes a member of the FOXTEL Group, if:
 - (i) it was not created in contemplation of the acquisition of that entity by a member of the FOXTEL Group;
 - (ii) the principal amount secured has not been increased in contemplation, or since the acquisition, of that asset by a member of the FOXTEL Group; and
 - (iii) it is removed or discharged within 3 months of the date of acquisition of such entity;
- (e) any other Encumbrance securing Finance Debt provided the aggregate principal amount of Finance Debt having the benefit of all such Encumbrances and any Permitted Financial Accommodation referred to in paragraph (g) of that definition does not exceed 10% of Total Assets of the FOXTEL Group at that time; or
- (f) an Encumbrance created or existing with the consent of each Financier Representative.

Permitted Financial Accommodation means any financial accommodation provided by a Transaction Party:

- (a) under the Finance Documents;
- (b) to another Transaction Party or a member of the FOXTEL Group;
- (c) which is funded by Equity;
- (d) in respect of the performance of the obligations of another Transaction Party or a member of the FOXTEL Group;
- (e) with each Financier Representative's prior written consent;
- (f) to customers in the ordinary course of business and on arms length commercial terms provided that such financial accommodation does not constitute consumer credit which is available to its customers generally and is regulated by the National Credit Code; or
- (g) otherwise where the aggregate principal amount provided and any Finance Debt secured by a Permitted Encumbrance referred to in paragraph (e) of that definition does not exceed 10% of Total Assets of the FOXTEL Group at that time.

Potential Event of Default means any thing which would become an Event of Default on the giving of notice (whether or not notice is actually given), the expiration of time or any combination of the above.

Power means any right, power, authority, discretion or remedy conferred on any Indemnified Party by any Finance Document or any applicable law.

PPSA means the *Personal Property Securities Act 2009* (Cwth).

Racing Channel means The Racing Channel Cable-TV Pty Limited (ABN 91 069 619 307).

Related Body Corporate means a 'related body corporate' as that expression is defined in section 50 of the Corporations Act.

Same Day Funds means immediately available cleared funds.

Shareholder means:

- (a) Telstra;
- (b) News; or
- (c) CMH.

Sky Cable means Sky Cable Pty Limited (ABN 14 069 799 640).

STU means set top unit (including a refurbished or rebirthed set top unit).

Subordinated Debt means, at any time, Finance Debt of any member of the FOXTEL Group which is the subject of a Subordination Deed.

Subordination Deed means a subordination deed or deed poll in a form approved by each Financier Representative (acting on the instructions of all its Financiers acting reasonably) under which the Finance Debt provided to a Transaction Party is subordinated to all other Finance Debt provided under the Finance Documents.

Subsidiary means a subsidiary as defined in section 46 of the Corporations Act.

Swap Agreement means each interest rate or foreign exchange transaction, including any master agreement and any transaction or confirmation under it, entered into by a Transaction Party.

Syndicated Facility Agreement means each Finance Document which is designated as a 'Syndicated Facility Agreement' in a Finance Party Nomination Letter.

Tax means:

- (a) any tax including the GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
- (b) any income, stamp or transaction duty, tax or charge,

which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.

Tax Act means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), as applicable.

Tax Invoice includes any document or record treated by the Commissioner of Taxation as a tax invoice or as a document entitling a recipient to an input tax credit.

Telstra means Telstra Corporation Limited (ABN 33 051 775 556).

Telstra Deed of Cross Guarantee means the ASIC Class Order deed of cross guarantee entered into by Telstra and certain of its Subsidiaries on 4 June 1996.

Telstra Media means Telstra Media Pty Limited (ABN 72 069 279 027).

Telstra Multimedia means Telstra Multimedia Pty Limited (ABN 82 069 279 072).

Total Assets means at any time the aggregate book value of all of the assets of the FOXTEL Group at that time.

Total Debt means, at any time, the aggregate amount of all Finance Debt of each member of the FOXTEL Group excluding transactions between any 2 members of the FOXTEL Group and excluding Subordinated Debt.

Total Debt to EBITDA Ratio means, in relation to any Calculation Date, the ratio of A:B where:

‘A’ is Total Debt on that Calculation Date; and

‘B’ is EBITDA for the Calculation Period ending on that Calculation Date.

For the purpose of calculating the Total Debt to EBITDA Ratio, if any Transaction Party or other member of the FOXTEL Group acquires or disposes of any entity or business during any relevant Calculation Period, EBITDA for such period shall be determined on a pro forma basis assuming that such acquisition or disposal had occurred as of the first day of that Calculation Period. Any such pro forma adjustment shall be disclosed in the Compliance Certificate relating to that Calculation Period.

Transaction Party means:

- (a) FOXTEL;
- (b) a Borrower;
- (c) a Guarantor; or
- (d) any other Transaction Party, now or in the future, defined as such in a Finance Document.

Transactions means the transactions contemplated by the Finance Documents.

wholly-owned subsidiary has the meaning given to that expression in the Corporations Act.

1.2 Interpretation

In a Finance Document, headings and bold type are for convenience only and do not affect the interpretation of a Finance Document and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Deed Poll have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, a Finance Document and a reference to a Finance Document includes any annexure, exhibit and schedule to that Finance Document;

- (g) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than a Finance Document includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to an asset includes all property of any nature, including a business, and all rights, revenues and benefits;
- (l) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) no provision of a Finance Document will be construed adversely to a party solely on the ground that the party was responsible for the preparation of that Finance Document or that provision;
- (o) a covenant or agreement on the part of two or more Transaction Parties binds them jointly and severally;
- (p) references to time are to Sydney time;
- (q) unless the contrary intention appears, any provision of a Finance Document which specifies a particular day on which a calculation is to be made or an obligation performed, will be construed as requiring that calculation to be made or that obligation to be performed at or before 5.00pm on that day;
- (r) a reference in a Finance Document to:
 - (i) **amendment** includes a supplement, novation, restatement or modification and 'amended' is to be construed accordingly;
 - (ii) **continuing**, in relation to a Default, indicates a Default that has not been remedied to the satisfaction of the relevant Financier Representative (acting in good faith) or waived in writing in accordance with the terms of the relevant Finance Documents;

- (iii) **disposal** includes a sale, assignment, grant, transfer, lease, declaration of trust or an act of similar effect; and
- (iv) **undertaking, assets and rights** includes a reference to all real and personal property, choses in action, goodwill and uncalled and called, but unpaid capital;
- (s) a statement by a person that any information or matter is the case 'to the best of its knowledge and belief means that such person has taken all reasonable care to ensure that such information or matter is in fact the case and that such person is not aware of any other information or matter that could affect the accuracy of such information or matter;
- (t) where an act is required to be performed **promptly**, it shall be performed within as short a period as reasonably possible from the moment when the act could reasonably be performed, taking into account all of the circumstances;
- (u) a Financial Ratio is **finally determined** when it is set out in a Compliance Certificate which has been delivered in accordance with this Deed Poll, and **final determination** will be construed accordingly;
- (v) for the purposes of:
 - (i) making a representation or warranty;
 - (ii) complying with any notification requirement or other undertaking; or
 - (iii) determining whether a Default has occurred,the value of any relevant transaction, event or other thing which is not denominated in Dollars, shall be taken into account as if the value of that transaction, event or other thing were converted into Dollars on the relevant date; and
- (w) a reference to **remedying** an Event of Default includes overcoming its consequences.

1.3 Inclusive expressions

Specifying anything in a Finance Document after the words 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Business Day

Subject to clause 3.2, where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

1.5 Accounting Standards

- (a) Any accounting practice or concept relevant to the Finance Documents is to be construed or determined in accordance with the Accounting Standards.

- (b) If, in the reasonable opinion of FOXTEL or a Financier Representative, any changes after the date of this Deed Poll to Accounting Standards materially alter the effect of the Financial Ratios or the related definitions, FOXTEL and each Financier Representative will negotiate in good faith to amend the relevant Financial Ratios and definitions so that they have an effect comparable to that which the Financial Ratios or related definitions would have had under current Accounting Standards before the adoption of the relevant change or changes to Accounting Standards.
- (c) If the amendments are not agreed within 30 days of the date on which such changes to Accounting Standards take effect (or any longer period agreed between FOXTEL and each Financier Representative) then FOXTEL will provide with its Financial Reports any reconciliation statements (audited, where applicable) necessary to enable calculations based on Accounting Standards as they were before those changes and the changes will be ignored for the purposes of the Finance Documents.

1.6 Common terms

Unless the contrary intention appears:

- (a) a term used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed Poll; and
- (b) if there is an inconsistency between this Deed Poll and any other Finance Document, this Deed Poll will prevail unless the other Finance Document includes words to the effect of “Despite the terms of the Common Terms Deed Poll”.

1.7 FOXTEL Agent

The parties acknowledge and agree that the other parties are entitled to treat any discharge, receipt, waiver, consent, communication, agreement, act or other thing given or effected by the FOXTEL Agent in connection with any Finance Document as having been given or effected for and on behalf of, and with the authority and consent of, the Partners.

1.8 Limited Recourse to the Partners

- (a) Notwithstanding any other provisions of the Finance Documents (other than clause 1.8(d) below) the obligation of a Partner to pay any amount under any Finance Document (whether present, future or prospective) is limited to the extent that the amount can be satisfied out of its Partnership Property only.
- (b) Each Finance Party irrevocably and unconditionally releases all claims it may have against a Partner under or in connection with the Finance Documents except to the extent that the Partner is liable under clause 1.8(a).
- (c) No Finance Party shall have any claim against or recourse to the directors, officers or employees of a Partner, by operation of law or otherwise. Such recourse is irrevocably waived.

- (d) Nothing in clause 1.8(a) or 1.8(c) limits the liability of a Partner in respect of any loss, cost or expense suffered or incurred by any Finance Party as a result of:
- (i) the fraud or wilful default of that Partner or any of its directors, officers or employees under or in connection with the Finance Documents;
 - (ii) any breach of an undertaking given by it in:
 - (A) clause 5.4 or 5.5 of this Deed Poll; or
 - (B) any Subordination Deed to which it is individually expressed to be a party; or
 - (iii) a warranty or representation given by it in:
 - (A) clause 4.1(a), 4.1(b), 4.1(c), 4.1(d), 4.1(e), 4.1(o), 4.1(q)(i), 4.1(s), 4.1(v) (in relation to clause 4.1(v) only, on the date of this Deed Poll or on a date on which any financial accommodation is made available or rolled over under a Finance Document) or 4.1(x) of this Deed Poll;
 - (B) any Subordination Deed to which it is individually expressed to be a party, being incorrect or untrue.

However, the failure of a Partner to comply with an obligation to pay the Guaranteed Moneys under the Finance Documents will not in itself constitute fraud or wilful default of that Partner.

- (e) Except to the extent that it is liable under clause 1.8(d), a Finance Party may satisfy its rights against a Partner arising from non payment of the Guaranteed Moneys only to the extent that such rights can be satisfied from the Partner's Partnership Property only and no party may, in connection with the Guaranteed Moneys:
- (i) take any action against a Partner, its directors, officers or employees personally to recover any part of the Guaranteed Moneys which cannot be satisfied out of the Partnership Property of the relevant Partner or obtain a judgement for the payment of money or damages by a Partner, its directors, officers or employees;
 - (ii) issue any demand under section 459E(1) of the Corporations Act (or any analogous provision under any other law) against a Partner;
 - (iii) apply for or prove in (except to the extent that the Partner is liable under clause 1.8(a)) the winding up of a Partner;
 - (iv) levy execution or take any action against any asset of a Partner (other than the Partnership Property of that Partner) to recover any of the Guaranteed Moneys; or
 - (v) apply for the appointment of a receiver to any of the assets of a Partner (other than the Partnership Property of that Partner),

or take any proceedings for any of the above and each party waives its rights in respect of those actions, applications and proceedings.

- (f) Despite anything in, or in connection with, the Finance Documents, each Finance Party agrees that:
 - (i) claims under or in connection with the Finance Documents are not claims to which the Telstra Deed of Cross Guarantee applies in any way; and
 - (ii) it may not claim or attempt to claim to have any rights under, or make any claim or seek to enforce any rights, in connection with the Telstra Deed of Cross Guarantee.
- (g) To avoid doubt, nothing in this clause 1.8 prevents or limits any party from obtaining a declaration concerning any of the Finance Documents, an injunction or other order restraining any breach of a Finance Document or otherwise in relation to the Partnership Property of a Partner. This clause operates as a release and a covenant not to sue and may be pleaded in bar to any action brought in breach of it.
- (h) No Finance Party in the exercise of any right, power, authority, discretion or remedy conferred on it by any Finance Document or any applicable law, including any voting rights under the Finance Documents, nor any other person appointed by any Finance Party under the Finance Documents has the power or authority to incur obligations binding on a Partner other than obligations the extent and enforcement of which are limited in the same manner as the extent and enforcement of a Partner's obligations under the Finance Documents are limited by this clause 1.8.
- (i) No Finance Party may appoint any person with the power or authority to incur obligations binding on a Partner unless:
 - (i) the authority of that person is limited in accordance with this clause 1.8; and
 - (ii) the person so appointed signs an agreement acknowledging the limitation.
- (j) This clause 1.8 applies despite any other provision in any document or any other thing and in the event of any inconsistency between this clause 1.8 and another provision of a Finance Document, this clause 1.8 prevails.

2. Deed Poll

2.1 Finance Parties and Finance Documents

- (a) This Deed Poll is given by the Transaction Parties in favour of the Finance Parties from time to time. Each Finance Party has the benefit of and may enforce this Deed Poll even though it is not a party to, or is not in existence at the time of execution and delivery of this Deed Poll, in relation to the Finance Debt to which that Finance Party is entitled and each Finance Document under which that Finance Party has rights, benefits or obligations.
- (b) Each undertaking in this Deed Poll is made in favour of the Finance Parties.
- (c) The benefit and obligations of this Deed Poll may be extended to any other person (and such shall person shall become a Finance Party) in relation to any other document (and such document shall become a Finance Document), by FOXTEL signing and delivering to that Financier (or, if applicable, its Financier Representative) a Finance Party Nomination Letter.

- (d) Each Transaction Party (other than FOXTEL) irrevocably authorises FOXTEL to sign and deliver a Finance Party Nomination Letter nominating a document as a Finance Document, a party as a Financier or a party as a Financier Representative and acknowledges and confirms that the benefit of this Deed Poll will extend to any such party.

2.2 Removal of benefit for particular Finance Party

Subject to clause 13.7, this Deed Poll ceases to be for the benefit of and enforceable by a Finance Party if at any time:

- (a) that Finance Party has been Finally Paid;
- (b) that Finance Party is not committed to providing further financial or other accommodation to any Transaction Party pursuant to any Finance Document; and
- (c) if requested by FOXTEL and agreed in writing by the relevant Finance Party.

If FOXTEL makes a request to a Finance Party under paragraph (c) above subject to the circumstances in paragraphs (a) and (b) above existing, that Finance Party will promptly confirm in writing that it agrees that this Deed Poll has ceased to be for the benefit of and enforceable by that Finance Party.

2.3 Power of attorney

- (a) Each Transaction Party (other than FOXTEL) irrevocably appoints FOXTEL as its attorney (*Attorney*) to do anything which the Transaction Party may do (including to execute any document on its behalf) under or in relation to any Finance Document including to execute and deliver any document amending or supplementing this Deed Poll.
- (b) Without limitation, the Attorney may at any time delegate the Attorney's powers (including delegation).

2.4 Syndicated Facility Agreements

In relation to a Finance Document which is a Syndicated Facility Agreement:

- (a) any notice, consent, direction, opinion, approval, waiver, variation, agreement or communication which may be given, or which is required to be given either by or to a Financier under this Deed Poll may be given by, and shall be given to, the relevant Financier Representative (on behalf of each Financier under that Syndicated Facility Agreement) and if so given, shall, for the purposes of this Deed Poll, be regarded as having been given to or by each such Financier;
- (b) the parties acknowledge and agree that the relevant Financier Representative under that Syndicated Facility Agreement in giving any such notice, consent, direction, approval, waiver, variation, agreement or other communication or forming any opinion, will be acting on the instructions of the Financiers under and in accordance with that Syndicated Facility Agreement, and references to "acting

reasonably”, “in the opinion of”, “being satisfied” or similar expressions shall be construed accordingly and where used in connection with the relevant Financier Representative shall be construed as referring to each of the Financiers from whom the relevant Financier Representative is required to obtain instructions in so acting. Each Transaction Party shall be entitled to assume in its dealings with the relevant Financier Representative that it has the necessary authority to so act and to bind each Financier under the relevant Syndicated Facility Agreement, until such time as FOXTEL is notified in writing to the contrary; and

- (c) references in this Deed Poll to “a Financier” or “the Financier” shall be construed accordingly.

2.5 Several application of Deed Poll

In relation to each Finance Document, each Finance Party under that Finance Document and the Transactions (jointly a **Relevant Transaction**), the provisions of this Deed Poll shall be construed (unless a contrary intention is expressly indicated):

- (a) to apply to each such Relevant Transaction separately;
- (b) such that the representations, warranties, undertakings, events of default and other provisions apply to that Relevant Transaction separately and gives each Finance Party to that Relevant Transaction rights in relation to that Relevant Transaction separately; and
- (c) such that each reference to “each Financier Representative” or “the Financier Representatives” means the relevant Financier Representative in respect of the Relevant Transaction.

3. Payments

3.1 Payments

All payments under the Finance Documents must be made:

- (a) in Same Day Funds;
- (b) in the relevant currency; and
- (c) not later than 11.00am (Sydney time) on the due date,

to the relevant Financier Representative’s account as specified by that Financier Representative to the relevant Transaction Party, or in any other manner that Financier Representative directs from time to time.

3.2 Payments on a Business Day

If a payment is due on a day which is not a Business Day, the due date for that payment is the next Business Day in the same calendar month or, if none, the preceding Business Day, and interest must be adjusted accordingly.

3.3 Appropriation of payments

- (a) Except where clause 3.3(b) applies, all payments made by a Transaction Party under a Finance Document may be appropriated as between principal, interest and other amounts as the relevant Financier Representative (acting in accordance with the relevant Finance Document) determines or, failing any determination, in the following order:
 - (i) first, towards reimbursement of all fees, costs, expenses, charges, damages and indemnity payments due and payable by that Transaction Party under that Finance Document;
 - (ii) second, towards payment of interest due and payable under that Finance Documents; and
 - (iii) third, towards repayment or prepayment of the principal amount outstanding under that Finance Document.
- (b) Any appropriation under clause 3.3(a) overrides any appropriation made by a Transaction Party.

3.4 Payments in gross

All payments which a Transaction Party is required to make under any Finance Document must be:

- (a) without any set off, counterclaim or condition; and
- (b) without any deduction or withholding for any Tax or any other reason, unless, and without limiting the operation of clause 3.5, the Transaction Party is required to make a deduction or withholding by applicable law.

3.5 Additional payments

If:

- (a) any Transaction Party is required to make a deduction or withholding in respect of Tax (other than Excluded Tax) from any payment to be made to a Finance Party under any Finance Document; or
- (b) a Finance Party is required to pay any Tax (other than Excluded Tax) in respect of any payment it receives from a Transaction Party or a Financier Representative under any Finance Document,

the Transaction Party:

- (c) indemnifies each Finance Party against that Tax; and
- (d) must pay to each Finance Party an additional amount which the relevant Financier Representative determines to be necessary to ensure that each Finance Party receives when due a net amount (after payment of any Tax other than Excluded Tax in respect of each additional amount) that is equal to the full amount it would have received if a deduction or withholding or payment of Tax had not been made.

3.6 Taxation deduction procedures

If clause 3.5(a) applies:

- (a) the Transaction Party must pay the amount deducted or withheld to the appropriate Government Agency as required by law; and
- (b) the Transaction Party must:
 - (i) use reasonable endeavours to obtain a payment receipt from the Government Agency (and any other documentation ordinarily provided by the Government Agency in connection with the payment); and
 - (ii) within 2 Business Days after receipt of the documents referred to in clause 3.6(b)(i), deliver copies of them to the relevant Financier Representative.

3.7 Amounts payable on demand

If any amount payable by a Transaction Party under any Finance Document is not expressed to be payable on a specified date, that amount is payable by the Transaction Party on demand by the relevant Financier Representative.

3.8 Rounding

A Financier Representative may round amounts to the nearest unit of the relevant currency in making any allocation or appropriation under the Finance Documents.

4. Representations and warranties

4.1 Representations and warranties

Each Partner represents and warrants in respect of itself to and for the benefit of each Finance Party as set out in clauses 4.1(a), (b), (c), (d), (e), (o), (q)(i), (s), (v) and (x), and each Transaction Party (other than the Partners) represents and warrants to and for the benefit of each Finance Party that:

- (a) **(status)**: it is a corporation registered (or taken to be registered) and validly existing under the laws of the jurisdiction of its incorporation;
- (b) **(power)**: it has the power and authority to:
 - (i) enter into and perform its obligations under and to carry out the transactions contemplated by the Material Documents to which it is expressed to be a party; and
 - (ii) own its assets and to carry on its business as now conducted;
- (c) **(authorisations)**: it has taken all necessary action to authorise the entry into, delivery and performance of the Material Documents to which it is expressed to be a party and to carry out the transactions contemplated by those documents;
- (d) **(documents binding)**: each Material Document to which it is expressed to be a party constitutes its legal, valid, binding and enforceable obligation and is enforceable in accordance with its terms subject to laws generally affecting creditors' rights and to principles of equity;

- (e) **(transactions permitted)**: the execution, delivery and performance by it of each Material Document to which it is expressed to be a party and each transaction contemplated under that document did not and will not breach or result in a contravention of:
 - (i) any law, treaty, judgement, ruling, order, regulation or decree of a Government Agency binding on it or Authorisation;
 - (ii) its constitution or other constituent documents; or
 - (iii) any Encumbrance or material agreement which is binding on it or its assets,and, except as expressly permitted under the Finance Documents, did not and will not:
 - (iv) create or impose any Encumbrance on any of its assets; or
 - (v) allow a person to accelerate or cancel an obligation with respect to Finance Debt or constitute an event of default, cancellation event, prepayment event or similar event (whatever called) under an agreement relating to Finance Debt, whether immediately or after notice or lapse of time or both;
- (f) **(financial information)**: its most recent Financial Reports or accounts which it has furnished to a Financier Representative:
 - (i) give a true and fair view of the financial condition and state of affairs of it and its Subsidiaries as at the date they were prepared; and
 - (ii) were prepared in accordance with the Accounting Standards (except to the extent disclosed in the accounts) and applicable laws;
- (g) **(no change in affairs)**: there has been no change in its or its Subsidiaries' state of affairs since the end of the accounting period to which the Financial Reports referred to in clause 4.1(f) relate which has had or would be reasonably likely to have a Material Adverse Effect;
- (h) **(no litigation)**: except as disclosed in full to each Financier Representative in writing before the date of this Deed Poll, there is no litigation, arbitration, Tax claim, dispute or administrative or other proceeding current or, to the best of its knowledge and belief, threatened, which:
 - (i) in any way questions its power or authority to enter into or perform its obligations under any Material Document to which it is expressed to be a party; or
 - (ii) would be reasonably likely to result in the occurrence of an Insolvency Event or to have a Material Adverse Effect;
- (i) **(no default)**:
 - (i) it is not in default; and

- (ii) nothing has occurred which constitutes an event of default, cancellation event, prepayment event or similar event (whatever called),

under:

- (iii) a material provision of a Material Document to which it is expressed to be a party except where such default or event has been disclosed in full to each Financier Representative in writing; or
- (iv) any document or agreement binding on it or its assets where such default or event would be reasonably likely to have a Material Adverse Effect;

- (j) **(Authorisations)**: each Authorisation:

- (i) which is required in relation to the execution, delivery and performance by it of the Material Documents to which it is expressed to be a party and the transactions contemplated by those documents;
- (ii) which is required in relation to the validity and enforceability of those documents; or
- (iii) which is material to the conduct of the Business as now conducted,

has been obtained or effected, complied with and maintained;

- (k) **(Intellectual Property)**: it owns or has the right and licence to use the Intellectual Property where failure to do so would or is reasonably likely to have a Material Adverse Effect;

- (l) **(disclosure)**: all:

- (i) factual information (other than assumptions, estimates or forecasts) provided by it or on its behalf to any Finance Party (including for the purposes of any information memorandum prepared in connection with syndication) was, to the best of its knowledge and belief, true in all material respects and not materially misleading (by omission or otherwise) as at the time it was provided or as at the date stated; and
- (ii) assumptions, estimates and forecasts provided by it or on its behalf to any Finance Party in writing were prepared in good faith with due care and diligence and were based on all relevant information known to it at the time when the materials were provided;

- (m) **(information disclosed)**: all information of which it is aware which is, on the date of a Financier signing a Finance Document under which it agrees to provide financial accommodation to a Transaction Party:

- (i) material to the Business or to the decision of a reasonable financial institution to enter into any Finance Documents to which a Finance Party is expressed to be a party; or
- (ii) reasonably likely to materially and adversely affect the business, assets or financial condition of any Transaction Party,

has been disclosed to that Financier's Financier Representative in writing;

- (n) **(copies of documents)**: all copies of documents (including the Financial Reports or accounts and Authorisations) given by it or on its behalf to any Financier Representative are true copies which are accurate and complete in all material respects;
- (o) **(title)**: it is the sole legal and beneficial owner of the assets included in its Financial Reports and accounts and those assets are free of Encumbrances, other than Permitted Encumbrances;
- (p) **(law)**:
 - (i) it has complied with; and
 - (ii) the Business is in compliance with,all applicable laws (including any Environmental Law and all laws relating to Tax) in all applicable jurisdictions where failure to do so would or is reasonably likely to have a Material Adverse Effect;
- (q) **(not a trustee)**: it does not:
 - (i) enter into any Finance Document as trustee of any trust and none of the Partnership Property is held by a Partner as trustee of any trust; or
 - (ii) hold any assets as the trustee of any trust;
- (r) **(corporate tree)**:
 - (i) as at the date of this Deed Poll, the Shareholders legally and beneficially own and control (directly or indirectly) 100% of the FOXTEL Group;
 - (ii) its only Subsidiaries are listed in the Group Structure Diagram; and
 - (iii) the Group Structure Diagram is true and correct in all respects and does not omit any material information or details;
- (s) **(immunity from suit)**: it does not, and its assets do not, have immunity from the jurisdiction of a court or from legal process;
- (t) **(no filings or Taxes)**: it is not necessary or desirable to ensure that any Finance Document is legal, valid, binding or admissible in evidence, that any Finance Document be filed or registered with any Government Agency, or that any Tax be paid;
- (u) **(no Event of Default)**: no Event of Default is continuing or will result from the provision of any financial accommodation under a Finance Document;
- (v) **(solvency)**:
 - (i) it is able to pay its debts as they fall due and has not suspended making payment of its debts generally, other than debts owing in respect of Subordinated Debt; and
 - (ii) no Insolvency Event has occurred and is continuing in relation to it or will occur as a result of it entering into any Finance Document to which it is expressed to be a party;

- (w) (**ranking of obligations**): its obligations under the Finance Documents (in all respects and at all times) rank at least equally in right and priority of payment with all its other unsecured and unsubordinated obligations (actual or contingent, present or future) except for obligations mandatorily preferred by law;
- (x) (**commercial benefit**): the entering into and performance by it of its obligations under the Material Documents to which it is expressed to be a party is for its commercial benefit and is in its commercial interests;
- (y) (**own enquiries**): it has relied on its own investigations and enquiries regarding the transactions contemplated by the Finance Documents and has not relied on any information, advice or opinion (including as to interest rates, Swap Agreements or exchange rates) given or offered by or on the Financier's behalf even if in answer to any enquiry by or for it;
- (z) (**Insurances**):
 - (i) all of the Insurances have been effected and are valid and binding; and
 - (ii) all premiums due have been paid and nothing has been done or omitted to be done which has made or could make any such policy void or voidable or reduce the insurer's liability under them;
- (aa) (**Material Adverse Effect**): it is not aware of any event or circumstance which has had or is reasonably likely to have a Material Adverse Effect;
- (bb) (**Taxes**): it has paid all Taxes due and payable by it other than Taxes which are being contested in good faith and otherwise in accordance with clause 5.11.

4.2 Survival and repetition of representations and warranties

The representations and warranties given under this Deed Poll:

- (a) survive the execution of each Finance Document; and
- (b) other than under clause 4.1 (m), are repeated in favour of each Financier with reference to the facts and circumstances then subsisting on each date on which any financial accommodation is made available or rolled over by that Financier under that Financier's Finance Documents.

4.3 Reliance by Finance Parties

Each Transaction Party acknowledges that each Finance Party has entered into each Finance Document to which it is a party in reliance on the representations and warranties given to it under this Deed Poll.

5. Undertakings

5.1 Provision of information and reports

Each Transaction Party (other than the Partners) must provide to each Financier Representative (with sufficient copies for each Finance Party), the following:

- (a) **(Annual Financial Report)**: promptly after the same are available and in any event within 90 days after the end of the fiscal year of the FOXTEL Group, copies of an audited Financial Report of the FOXTEL Group (on an aggregated basis) for such year, setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with the Accounting Standards, where applicable for special purpose accounts, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such Financial Report gives a true and fair view of the financial position of the FOXTEL Group's financial performance for such fiscal year, and that the audit related to such Financial Report has been made in accordance with Australian Accounting Standards (as such term is used and defined in such accountant's opinion, and as the wording of such accountants' opinion may be updated or amended from time to time in accordance with industry practice and standards), where applicable for special purpose accounts together with a Compliance Certificate (which has been audited in respect of the matters referred to in paragraphs (a), (b) and (c) and (1) and (2) of that certificate) in respect of the Calculation Period ending at the end of that financial year;
- (b) **(half yearly management accounts)**: promptly and no later than 30 Business Days after the end of each financial half year, copies of the unaudited half-yearly management accounts of the FOXTEL Group (on an aggregated basis) for that financial half year together with evidence satisfactory to each Financier Representative that the accounts have been reviewed and approved by 2 directors of FOXTEL;
- (c) **(Compliance Certificate)**: promptly and no later than 30 Business Days after the end of each calendar quarter, a Compliance Certificate signed by 2 directors of FOXTEL;
- (d) **(Group Structure Diagram)**: an updated Group Structure Diagram on each occasion that the then current Group Structure Diagram becomes incorrect or misleading;
- (e) **(Approved Hedging Policy)**: promptly after its approval by the directors of FOXTEL, a copy of any amended Approved Hedging Policy; and
- (f) **(other information)**: promptly after a request is made, any other information which a Financier Representative reasonably requests in relation to the Business or the financial condition of FOXTEL or any member of the FOXTEL Group.

5.2 Financial Reports and accounts

Each Transaction Party (other than the Partners) must:

- (a) **(proper accounts)**:
 - (i) ensure that the accounts it provides under clause 5.1 are prepared in accordance with the Accounting Standards (except to the extent disclosed in the accounts) and applicable laws; and
 - (ii) keep accounting records which give a true and fair view of its financial condition and state of affairs;

- (b) **(financial year)**: not change its financial year without prior notice to each Financier Representative;
- (c) **(Auditors)**: not change its Auditors other than to an Approved Auditor; and
- (d) **(basis of preparation)**:
 - (i) notify each Financier Representative if, at any time, it changes or proposes to change the reference periods or the basis upon which its Financial Reports or accounts are prepared; and
 - (ii) if a Financier Representative is of the opinion (acting reasonably) that the change is material and so requires, provide to that Financier Representative:
 - (A) a description of all of the adjustments which are required to be made to the Financial Reports or accounts, so that the Financial Reports and accounts reflect the basis upon which they were prepared before such change was made; and
 - (B) sufficient information, in a form and substance reasonably required by the relevant Financier Representative, to enable the Financiers to determine whether the Financial Ratios have been complied with and to make an accurate comparison between the financial position indicated in those financial statements and the financial position indicated in the Financial Reports prepared and presented before such change was made.

5.3 Notices

Each Transaction Party (other than the Partners) must notify each Financier Representative promptly after it becomes aware of:

- (a) any Default occurring;
- (b) any proposal of any Government Agency to compulsorily acquire any of its property with an aggregate value in excess of \$10,000,000;
- (c) any litigation, arbitration, Tax claim, dispute or administration or other proceeding being commenced or threatened which:
 - (i) in any way questions its power or authority to enter into or perform its obligations under any Material Document to which it is expressed to be a party;
 - (ii) involves a potential liability for the Transaction Party (whether by itself or in combination with another person) in excess of \$10,000,000 or, when aggregated with other claims, disputes or proceedings, \$25,000,000 (provided that, where notice has been given under this paragraph because the relevant threshold has been exceeded, further notifications under this paragraph are only required as further \$10,000,000 increments above the relevant threshold are reached); or

- (iii) would be reasonably likely to result in the occurrence of an Insolvency Event or to have a Material Adverse Effect;
- (d) any breach of or default or other event or circumstance under, any Material Document which, with notice, time or both could lead to its termination, revocation, cancellation, suspension or variation;
- (e) any change in its Officers, together with a specimen signature of any new Officer appointed and, where requested by a Financier Representative, evidence satisfactory to that Financier Representative of the authority of any Officer; and
- (f) any intention by it to exercise any right, power or remedy under any Material Document as a consequence of any default where termination of that document is reasonably likely to have a Material Adverse Effect.

5.4 Disposal of assets

A Transaction Party must not sell, assign or transfer or otherwise dispose of, part with possession of, or create an interest in, any of its assets or agree or attempt to do so (whether in one or more related or unrelated transactions) except:

- (a) by way of the grant of a Permitted Encumbrance;
- (b) by disposal to another member of the FOXTEL Group;
- (c) disposals in the ordinary course of day to day trading at arms length;
- (d) disposals of assets in exchange for other assets of comparable value and utility or where the proceeds of such disposal are, within 90 days, used to acquire other assets of comparable value for use in relation to the Business;
- (e) disposals of worn out, obsolete or redundant assets;
- (f) disposals on arms length terms of assets not required for the efficient operation of the Business;
- (g) disposals on arms length terms of other assets not otherwise permitted under this clause provided that where the aggregate net after tax consideration received in respect of such disposals in any 12 month period exceeds 10% of the Total Assets of the FOXTEL Group, FOXTEL will ensure that within 120 days such excess is applied:
 - (i) in purchasing assets relevant to the Business; or
 - (ii) in repayment or prepayment of the principal amount outstanding under the Finance Documents and any other Finance Debt the FOXTEL Group is required to repay or prepay, rateably in proportion to the outstanding principal amount of all such debt, and cancellation of the corresponding undrawn commitment under that Finance Document; or
- (h) with the prior written consent of each Financier Representative (which consent must not be withheld in the case of a disposal by a Partner of any of its interest in the FOXTEL Partnership or the FOXTEL Television Partnership where that disposal does not result in an Event of Default under clause 6.1(p)).

5.5 Negative pledge

- (a) No member of the FOXTEL Group may create or allow to exist or agree to any Encumbrance over any of its assets (or, in the case of a Partner, over any of its interests in the FOXTEL Partnership or the FOXTEL Television Partnership) other than a Permitted Encumbrance.
- (b) No member of the FOXTEL Group may acquire an asset which is, or upon its acquisition will be, subject to an Encumbrance which is not a Permitted Encumbrance.
- (c) No member of the FOXTEL Group may acquire an asset which would materially alter the nature of the Business taken as a whole.
- (d) No member of the FOXTEL Group may enter into any arrangement which, if complied with, would prevent any member of the FOXTEL Group from complying with its obligations under the Finance Documents.

5.6 Financial accommodation

A Transaction Party (other than a Partner in its personal capacity) must not:

- (a) advance money or make available financial accommodation to or for the benefit of; or
- (b) give a Guarantee or Encumbrance in connection with an obligation or liability of, any person, other than Permitted Financial Accommodation.

5.7 Insurance

- (a) **(General requirement):** Each Transaction Party must take out and maintain insurance with reputable insurers for amounts and against risks which are reasonable and prudent in accordance with Good Business Practice.
- (b) **(Payment of premiums):** Each Transaction Party must punctually pay all premiums, commissions, Tax and other amounts necessary to effect and maintain in force each insurance policy required to comply with paragraph (a) above.
- (c) **(Deliver documents):** Each Transaction Party must upon request promptly deliver to each Financier Representative:
 - (i) adequate evidence as to the existence and currency of the insurances required under this clause 5.7; and
 - (ii) any other detail which a Financier Representative may reasonably require in relation to those insurances.

5.8 Restrictions on Distributions

A Transaction Party (other than a Partner in respect of assets or funds unrelated to the Partnership Property) must not make any Distribution (including in respect of Subordinated Debt) if a Default is continuing or would result from the Distribution.

5.9 Restrictions on dealings

A Transaction Party (other than a Partner in its personal capacity) must not without each Financier Representative's prior consent:

- (a) enter into an agreement;
- (b) acquire or dispose of an asset;
- (c) obtain or provide a service;
- (d) obtain a right or incur an obligation; or
- (e) implement any other transaction,

with any person (other than a Transaction Party or a member of the FOXTEL Group) unless it does so on terms which are no less favourable to it than arm's length terms.

5.10 Restrictions on fees

A Transaction Party (other than a Partner in its personal capacity) must not pay any director fees, management fees, consultancy fees or other like payments to any Transaction Party or any director, Associate, or Related Body Corporate of a Transaction Party unless those fees or other payments are:

- (a) reasonable and are no more or less favourable than it is reasonable to expect would be the case if the relevant persons were dealing with each other at arm's length;
- (b) continuations of fees and payments included in the financial model for the FOXTEL Group provided to each Financier Representative before the date of this Deed Poll;
- (c) paid to a member of the FOXTEL Group; or
- (d) paid with each Financier Representative's prior consent.

5.11 Payment of Taxes

Each Transaction Party (other than a Partner in its personal capacity) must pay all Taxes assessed, levied or imposed on it when due, but:

- (a) a Transaction Party may elect not to pay Taxes that are being contested in good faith except where failure to pay such Taxes is reasonably likely to have a Material Adverse Effect; and
- (b) to the extent liable, it pays those Taxes on the final determination or settlement of the contest.

5.12 Financial Ratios

(a) Interest Cover Ratio

FOXTEL must ensure that the Interest Cover Ratio for the Calculation Period ending on any Calculation Date is equal to or greater than 3.50:1.

(b) Total Debt to EBITDA Ratio

FOXTEL must ensure that the Total Debt to EBITDA Ratio for the Calculation Period ending on any Calculation Date is equal to or less than 3.75:1.

5.13 Undertakings relating to the Business

Each Transaction Party (other than a Partner in its personal capacity) must:

- (a) **(performance of the Business):**
 - (i) ensure that the Business is operated and maintained in accordance with all material applicable laws and material authorisations and Good Business Practice; and
 - (ii) not engage in any business other than business which does not materially alter the nature of the Business taken as a whole;
- (b) **(compliance with and enforcement of Material Documents):**
 - (i) comply with its material obligations under each Material Document to which it is expressed to be a party;
 - (ii) enforce each Material Document to which it is expressed to be a party and its rights, powers and remedies under those documents;
 - (iii) exercise its rights, authorities and discretions under each Material Document to which it is expressed to be a party prudently; and
 - (iv) use reasonable efforts to ensure that the Material Documents are at all times valid and enforceable;
- (c) **(compliance with law):** comply with all laws (including Environmental Laws) and legal requirements, including each judgement, award, decision, finding or any other determination of a Government Agency, which applies to it or is binding on it or any of its assets where failure to do so would or is reasonably likely to have a Material Adverse Effect;
- (d) **(compliance with Authorisations):** obtain, maintain and comply with each Authorisation which is:
 - (i) required in relation to the execution, delivery and performance by it of each Material Document to which it is a party and the transactions contemplated by those documents;
 - (ii) required in relation to the validity and enforceability of each Material Document to which it is a party; or
 - (iii) material to the conduct of the Business; and
- (e) **(Intellectual Property):**
 - (i) own or have the right and licence to use the Intellectual Property; and
 - (ii) maintain, preserve and protect the Intellectual Property,where failure to do so would or is reasonably likely to have a Material Adverse Effect.

5.14 Undertakings relating to structure and corporate matters

Each Transaction Party (other than a Partner in its personal capacity) must:

- (a) **(corporate existence):**
 - (i) do everything necessary to maintain its corporate existence in good standing;
 - (ii) continue to carry on the Business through the FOXTEL Group;
 - (iii) not transfer its jurisdiction of incorporation or enter into any scheme of arrangement, merger or consolidation; and
 - (iv) not enter into or effect any other scheme under which it ceases to exist or under which the assets and/or liabilities of itself are vested in or assumed by any other person;
- (b) **(guarantor group):** if at any time a Compliance Certificate demonstrates that:
 - (i) the Total Assets of the Transaction Parties is less than 90% of the Total Assets of the FOXTEL Group; or
 - (ii) the aggregate contribution of the Transaction Parties to EBITDA is less than 90% of the EBITDA of the FOXTEL Group for the 12 month period to the most recent Calculation Date,

FOXTEL shall ensure that such members of the FOXTEL Group become Guarantors in accordance with this Deed Poll as may be required so that the aggregate contribution to Total Assets or EBITDA of the Transaction Parties exceeds 90% of Total Assets or EBITDA of the FOXTEL Group within 45 days after the date of the Compliance Certificate;

- (c) **(ratification):** as holder of shares, units or any other direct or indirect interest in any other member of the FOXTEL Group, ratify and confirm the execution, delivery and performance by that member of the FOXTEL Group of each Finance Document to which that member of the FOXTEL Group is expressed to be a party. It will be taken to have ratified and confirmed the execution, delivery and performance of each Finance Document to which any entity in which it has such an interest is at any time expressed to be party;
- (d) **(maintain capital):** not:
 - (i) pass a resolution under section 254N of the Corporations Act;
 - (ii) reduce or pass a resolution to reduce its capital (including a purchase or buy-back of its shares but excluding a Permitted Distribution or a redemption of redeemable shares which constitute Finance Debt) without the prior consent of each Financier Representative (such consent not to be unreasonably withheld or delayed); or
 - (iii) attempt or take any steps to do anything which it is not permitted to do under paragraphs (i) or (ii) above;
- (e) **(amendments to constitution):** not amend its constitution or any other constituent document of it in a manner which adversely affects any Finance Party without each Financier Representative's prior written consent (which consent must not be unreasonably withheld); and

- (f) **(consolidated group)**: not become a member of any consolidated group (within the meaning of the New Business Tax System (Consolidation) Act No. 1) 2002 (Cth) without the prior written consent of each Financier Representative.

5.15 Swap Agreements

Each relevant Transaction Party must enter into Swap Agreements in accordance with the Approved Hedging Policy.

5.16 Ranking

Each Transaction Party must ensure that its obligations under each Finance Document (in all respects and at all times) rank at least equally and rateably in right and priority of payment with all its other unsecured and unsubordinated obligations (actual or contingent, present or future) except obligations mandatorily preferred by law.

5.17 Most favoured status

Unless each Financier Representative otherwise agrees in writing, if at any time a Transaction Party incurs Finance Debt in a principal amount equal to or in excess of A\$50,000,000 and the provisions applying to that Finance Debt contain financial ratios and definitions relating to those financial ratios (the **Core Provisions**) and the Financiers either:

- (a) do not have the benefit of provisions under this Deed Poll which are in all material respects identical (subject to any necessary consequential changes) to those Core Provisions; or
- (b) have the benefit of provisions under this Deed Poll which are in all material respects identical (subject to any necessary consequential changes) to those Core Provisions but on terms that are less favourable to the Financiers than the Core Provisions,

the Transaction Party must notify each Financier Representative of the Core Provisions and at the request of a Financier Representative promptly ensure that the Financier Representative's Financiers are given the benefit of financial ratios and definitions relating to those financial ratios which are in all material respects identical to the Core Provisions.

5.18 Term of undertakings

Unless a Financier Representative (acting in accordance with the relevant Finance Documents) otherwise agrees in writing, until:

- (a) all of the commitments of the Financiers under the Finance Documents are cancelled; and
- (b) the Guaranteed Moneys are Finally Paid,

each Transaction Party must, at its own cost, comply with its undertakings in this clause 5.

6. Events of Default

6.1 Events of Default

It is an Event of Default, whether or not it is Within the control of a Transaction Party, if:

- (a) **(failure to pay)**: a Transaction Party fails to pay or repay any part of the Guaranteed Moneys within 3 Business Days of its due date;
- (b) **(Financial Ratios)**: a Transaction Party breaches a Financial Ratio;
- (c) **(failure to perform)**: a Transaction Party fails to perform any other undertaking or obligation of it under any Finance Document and, if the failure is capable of remedy, the Transaction Party does not remedy the failure within 14 Business Days of the earlier of the date the Transaction Party:
 - (i) becomes aware of the failure; or
 - (ii) receives notice from a Financier Representative to the Transaction Party specifying the failure;
- (d) **(misrepresentation)**: any representation or warranty or statement of a Transaction Party under a Finance Document is incorrect or misleading in a material respect when made or repeated and, if the circumstances which result in such representation, warranty or statement being incorrect or misleading are capable of remedy, those circumstances are not remedied within 14 Business Days of the earlier of the date the Transaction Party:
 - (i) becomes aware of; or
 - (ii) receives notice from a Financier Representative to the Transaction Party specifying, the breach of representation or warranty;
- (e) **(cross default)**: any Finance Debt of a Transaction Party in an amount in excess of \$25,000,000:
 - (i) is not paid when due (after taking into account any applicable grace period); or
 - (ii) becomes due and payable, or becomes capable of being declared due and payable, before the scheduled date for payment other than because of the exercise by the Transaction Party of a voluntary right of prepayment or termination and:
 - (A) the creditor is not paid; or
 - (B) the creditor's right to be repaid prematurely is not rescinded or annulled, within 10 Business Days of the date on which the Finance Debt becomes prematurely due and payable;

- (f) **(administration, winding up, arrangements, insolvency etc)**: any of the following occur:
- (i) an administrator is appointed, or any steps are taken to appoint an administrator, to a Transaction Party;
 - (ii) a liquidator or a provisional liquidator is appointed, or any steps are taken to appoint a liquidator or a provisional liquidator in respect of a Transaction Party (unless, in the case of an application or step taken, the application or step taken is frivolous or vexatious and the application or step taken is withdrawn within 20 Business Days);
 - (iii) except for the purpose of a solvent reconstruction, restructure or amalgamation of a Transaction Party carried out with the prior written consent of each Financier Representative, an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court is made or other steps are taken:
 - (A) for the winding up or dissolution of any Transaction Party; or
 - (B) in relation to the entry into of any arrangement, composition or compromise with, or assignment for the benefit of, any of its creditors or a class of them,(unless, in the case of an application or step taken, the application or step taken is frivolous or vexatious and the application or step taken is withdrawn within 20 Business Days);
 - (iv) a Transaction Party:
 - (A) ceases, suspends or threatens to cease or suspend the conduct of the Business, without the prior written consent of each Financier Representative;
 - (B) is, or under the Corporations Act is presumed, deemed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute or where it is otherwise able to prove to each Financier Representative that it is solvent);
 - (C) is, or states that it is, insolvent or unable to pay its debts when they are due;
 - (D) stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
 - (E) takes any steps to obtain protection or is granted protection from its creditors under the laws of any applicable jurisdiction;
 - (F) is wound up or dissolved (other than for the purpose of a reconstruction or amalgamation while solvent on terms approved by each Financier Representative in writing before the relevant event occurs);
 - (G) is deregistered, or any steps are taken for its deregistration; or
 - (H) implements a creditors scheme of arrangement with any person;

(g) **(enforcement against assets):**

- (i) an official manager, administrator, receiver, receiver and manager, other Controller, trustee in bankruptcy or any similar official is appointed, or any steps are taken to appoint any such person, to;
- (ii) any Encumbrance is enforced or becomes capable of being enforced; or
- (iii) a distress, attachment, execution or other process of a Government Agency is issued against, levied, entered upon or enforced over,

a Transaction Party, or over any asset or assets of a Transaction Party with an aggregate value exceeding \$25,000,000 (as the case may be);

(h) **(judgment):** a judgment in an amount exceeding \$25,000,000 is obtained against a Transaction Party and is not set aside, satisfied or appealed (and if appealed, is not required to be paid as a consequence of the lodgement of that appeal) within 21 Business Days, or such later period as each Financier Representative agrees in writing;

(i) **(reduction of capital):** without the prior consent of each Financier Representative (such consent not to be unreasonably withheld or delayed), a Transaction Party:

- (i) reduces its capital (including a purchase of its shares but excluding a Permitted Distribution or a redemption of redeemable shares);
- (ii) passes a resolution to reduce its capital (excluding a Permitted Distribution or a redemption of redeemable shares) or to authorise it to purchase its shares or passes a resolution under chapter 2J of the Corporations Act 2001 or an equivalent provision; or
- (iii) applies to a court to call any such meeting or to sanction any such resolution or reduction;

(j) **(analogous process):** anything analogous to anything referred to in paragraphs (f) to (i) inclusive, or which has a substantially similar effect, occurs with respect to any Transaction Party under any law;

(k) **(vitiation of Finance Documents):**

- (i) all or any material part of a Finance Document is terminated or is or becomes void, voidable, illegal, invalid, unenforceable or of limited force and effect; or
- (ii) any party becomes entitled to terminate, rescind or avoid all or any material part of a Finance Document;

(l) **(vitiation of other documents):**

- (i) all or any material part of a Material Document is terminated or is or becomes void, voidable, illegal, invalid, unenforceable or of limited force and effect and FOXTEL does not demonstrate to the satisfaction of each Financier Representative (acting in good faith) within 10 Business Days that such event will not have a Material Adverse Effect; or

- (ii) unless FOXTEL demonstrates to the satisfaction of each Financier Representative (acting in good faith) within 10 Business Days that such event will not have a Material Adverse Effect, any Transaction Party breaches or is in default under any provision of a Material Document which breach or default gives rise to a right of termination or rescission under the relevant Material Document, and, where the Transaction Party is afforded a cure period under that Material Document in respect of that breach or default, the Transaction Party does not diligently seek to remedy that breach or default, or that breach or default is not remedied within that cure period. The Transaction Party must notify each Financier Representative in writing of the remedy being pursued by it and shall keep each Financier Representative regularly informed of its progress and it shall be an Event of Default if at any time the Transaction Party fails or ceases to diligently pursue that remedy;
- (m) **(amendment of constitution):** the constitution or other constituent documents of any Transaction Party is amended in a manner which adversely affects any Finance Party without each Financier Representative's prior written consent;
- (n) **(Authorisations):** an Authorisation which is required or necessary for:
 - (i) the performance by any Transaction Party of its obligations under any Material Document;
 - (ii) the validity and enforceability of any Material Document; or
 - (iii) the conduct of the Business, is:
 - (A) repealed, revoked, terminated or expires; or
 - (B) modified or amended,and such action has had or will have a Material Adverse Effect,and is not replaced by another equivalent Authorisation acceptable to each Financier Representative (acting reasonably) prior to that event occurring;
- (o) **(material adverse change):** any other event or series of events occurs (including a material adverse change in the Business, assets or financial condition of any Transaction Party), which has had or is, in the opinion of the Financier Representatives (acting in good faith), reasonably likely to have a Material Adverse Effect;
- (p) **(change of control):** without the prior consent of each Financier Representative, the Shareholders (or any of them) cease to legally and beneficially own and control (directly or indirectly) at least 60% of the FOXTEL Group;
- (q) **(compulsory acquisition):**
 - (i) all or any material part of the assets and undertaking of the FOXTEL Group is compulsorily acquired by or by order of a Government Agency or under law;

- (ii) a Government Agency orders the sale, vesting or divesting of all or any material part of the assets and undertaking of the FOXTEL Group; or
- (iii) a Government Agency takes a step for the purpose of any of the above,
in each case, where the value of the assets and undertaking of the FOXTEL Group concerned exceeds \$25,000,000;
- (r) **(Subordinated Debt):** any person providing Subordinated Debt breaches any material representation, warranty or undertaking given by it under the Subordination Deed; and
- (s) **(Intellectual Property):**
 - (i) any Transaction Party ceases to own, or to have the right and licence to use, the Intellectual Property; or
 - (ii) any person claims or alleges that any Transaction Party is infringing its rights in relation to Intellectual Property, and such cessation or claim has or is reasonably likely to have a Material Adverse Effect.

6.2 Effect of Event of Default

- (a) At any time while an Event of Default is continuing, a Financier Representative may, and if so directed in accordance with the relevant Finance Documents must, by notice to FOXTEL declare that:
 - (i) the Guaranteed Moneys are immediately due and payable to the relevant Finance Parties; or
 - (ii) the commitment of the relevant Financiers under the Finance Documents is cancelled,
or make each of the declarations under clauses 6.2(a)(i) and (ii).
- (b) FOXTEL must immediately repay the Guaranteed Moneys on receipt of a notice under clause 6.2(a)(i).

7. Financial Calculations

A Financial Ratio will apply on and from the Calculation Date in respect of which it was finally determined until the next Calculation Date.

8. Guarantee

8.1 Guarantee

The Guarantors jointly and severally, unconditionally and irrevocably guarantee to each Indemnified Party the payment of the Guaranteed Moneys due to each Indemnified Party.

8.2 Payment

- (a) If the Guaranteed Moneys are not paid when due, each Guarantor must immediately on demand from the relevant Financier Representative pay to that Financier Representative for the account of its Financiers the Guaranteed Moneys in the same manner and currency as the Guaranteed Moneys are required to be paid.
- (b) A demand under clause 8.2(a) may be made at any time and from time to time.

8.3 Securities for other money

Each Indemnified Party may apply any amounts received by it or recovered under any document or agreement which is a security for any of the Guaranteed Moneys and any other money in the manner it determines in its absolute discretion.

8.4 Amount of Guaranteed Moneys

- (a) This clause 8 applies to any amount which forms part of the Guaranteed Moneys from time to time.
- (b) The obligations of each Guarantor under this clause 8 extend to any increase in the Guaranteed Moneys as a result of:
 - (i) any amendment, supplement, renewal or replacement of any Finance Document to which a Transaction Party and any Indemnified Party is a party; or
 - (ii) the occurrence of any other thing.
- (c) Clause 8.4(b):
 - (i) applies regardless of whether any Guarantor is aware of or consented to or is given notice of any amendment, supplement, renewal or replacement of any agreement to which a Transaction Party and any Indemnified Party is a party or the occurrence of any other thing; and
 - (ii) does not limit the obligations of any Guarantor under this clause 8.

8.5 Proof by Indemnified Parties

In the event of the liquidation of a Transaction Party, each Guarantor irrevocably authorises each Indemnified Party to prove for all money which any Guarantor has paid or is or may be obliged to pay under any Finance Document, any other document or agreement or otherwise in respect of the Guaranteed Moneys.

8.6 Avoidance of payments

- (a) If any payment, conveyance, transfer or other transaction relating to or affecting the Guaranteed Moneys is:
 - (i) void, voidable or unenforceable in whole or in part; or
 - (ii) claimed to be void, voidable or unenforceable and that claim is upheld, conceded or compromised in whole or in part,

the liability of each Guarantor under this clause 8 and any Power is the same as if:

- (iii) that payment, conveyance, transfer or transaction (or the void, voidable or unenforceable part of it); and
- (iv) any release, settlement or discharge made in reliance on any thing referred to in clause 8.6(a)(iii),

had not been made and each Guarantor must immediately take all action and sign all documents necessary or required by a Financier Representative to restore to each Indemnified Party the benefit of this clause 8.

- (b) Clause 8.6(a) applies whether or not any Indemnified Party knew, or ought to have known, of anything referred to in clause 8.6(a).

8.7 Indemnity for avoidance of Guaranteed Moneys

- (a) If any of the Guaranteed Moneys (or money which would have been Guaranteed Moneys if it had not been irrecoverable) are irrecoverable by any Indemnified Party from:

- (i) any Transaction Party; or
- (ii) a Guarantor on the footing of a guarantee,

the Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation:

- (iii) indemnify each Indemnified Party against any Loss suffered, paid or incurred by that Indemnified Party in relation to the non payment of that money; and
- (iv) must pay to the relevant Financier Representative for the account of that Indemnified Party an amount equal to that Loss.

- (b) Clause 8.7(a) applies to the Guaranteed Moneys (or money which would have been Guaranteed Moneys if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:

- (i) they are or may be irrecoverable because of any event described in clause 8.12;
- (ii) they are or may be irrecoverable because of any other fact or circumstance;
- (iii) the obligations or liabilities or any of them relating to that money are void or illegal or avoided or otherwise unenforceable; and
- (iv) any matters relating to the Guaranteed Moneys are or should have been within the knowledge of any Indemnified Party.

8.8 No obligation to marshal

An Indemnified Party is not required to marshal or to enforce or apply under or appropriate, recover or exercise:

- (a) any Encumbrance, Guarantee or other document or agreement held, at any time, by or on behalf of that or any other Indemnified Party; or
- (b) any money or asset which that Indemnified Party, at any time, holds or is entitled to receive.

8.9 Non exercise of Guarantors' rights

A Guarantor must not exercise any rights it may have inconsistent with this clause 8.

8.10 Principal and independent obligation

- (a) This clause 8 is:
 - (i) a principal obligation and is not to be treated as ancillary or collateral to any other right or obligation; and
 - (ii) independent of and not in substitution for or affected by any other guarantee or security which any Indemnified Party may hold in respect of the Guaranteed Moneys or any obligations of any Transaction Party or any other person.
- (b) This clause 8 is enforceable against a Guarantor:
 - (i) whether or not any Indemnified Party has:
 - (A) made demand on any Transaction Party (other than any demand specifically required to be given, or notice required to be issued, to a Guarantor under clause 8.2 or any other provision of a Finance Document);
 - (B) given notice to any Transaction Party or any other person in respect of any thing; or
 - (C) taken any other steps against any Transaction Party or any other person;
 - (ii) whether or not any Guaranteed Moneys are then due and payable; and
 - (iii) despite the occurrence of any event described in clause 8.12.

8.11 Suspense account

- (a) Each Indemnified Party may apply to the credit of a suspense account any:
 - (i) amounts received under this clause 8;
 - (ii) dividends, distributions or other amounts received in respect of the Guaranteed Moneys in any liquidation; and
 - (iii) other amounts received from a Transaction Party or any other person in respect of the Guaranteed Moneys.
- (b) Each Indemnified Party may retain the amounts in the suspense account for as long as it determines and is not obliged to apply them in or towards satisfaction of the Guaranteed Moneys.

8.12 Unconditional nature of obligations

- (a) This clause 8 and the obligations of each Guarantor under the Finance Documents are not released or discharged or otherwise affected by anything which but for this provision might have that effect, including:
 - (i) the grant to any Transaction Party or any other person of any time, waiver, covenant not to sue or other indulgence;
 - (ii) the release (including a release as part of any novation) or discharge of any Transaction Party or any other person;
 - (iii) the cessation of the obligations, in whole or in part, of any Transaction Party or any other person under any Finance Document or any other document or agreement;
 - (iv) the liquidation of any Transaction Party or any other person;
 - (v) any arrangement, composition or compromise entered into by any Indemnified Party, any Transaction Party or any other person;
 - (vi) any Finance Document or any other document or agreement being in whole or in part illegal, void, voidable, avoided, unenforceable or otherwise of limited force or effect;
 - (vii) any extinguishment, failure, loss, release, discharge, abandonment, impairment, compounding, composition or compromise, in whole or in part, of any Finance Document or any other document or agreement;
 - (viii) any alteration, amendment, variation, supplement, renewal or replacement of any Finance Document or any other document or agreement;
 - (ix) any moratorium or other suspension of any Power;
 - (x) any Indemnified Party exercising or enforcing, delaying or refraining from exercising or enforcing, or being not entitled or unable to exercise or enforce any Power;
 - (xi) any Indemnified Party obtaining a judgment against any Transaction Party or any other person for the payment of any of the Guaranteed Moneys;
 - (xii) any transaction, agreement or arrangement that may take place with any Indemnified Party, any Transaction Party or any other person;
 - (xiii) any payment to any Indemnified Party including any payment which at the payment date or at any time after the payment date is in whole or in part illegal, void, voidable, avoided or unenforceable;
 - (xiv) any failure to give effective notice to any Transaction Party or any other person of any default under any Finance Document or any other document or agreement;
 - (xv) any legal limitation, disability or incapacity of any Transaction Party or of any other person;

- (xvi) any breach of any Finance Document or any other document or agreement;
 - (xvii) the acceptance of the repudiation of, or termination of, any Finance Document or any other document or agreement;
 - (xviii) any Guaranteed Moneys being irrecoverable for any reason;
 - (xix) any disclaimer by any Transaction Party or any other person of any Finance Document or any other document or agreement;
 - (xx) any assignment, novation, assumption or transfer of, or other dealing with, any Powers or any other rights or obligations under any Finance Document or any other document or agreement;
 - (xxi) the opening of a new account of any Transaction Party with any Indemnified Party or any transaction on or relating to the new account;
 - (xxii) any prejudice (including material prejudice) to any person as a result of:
 - (A) any thing done or omitted by any Indemnified Party, any Transaction Party or any other person;
 - (B) any failure or neglect by any Indemnified Party or any other person to recover the Guaranteed Moneys from any Transaction Party; or
 - (C) any other thing;
 - (xxiii) the receipt by any Indemnified Party of any dividend, distribution or other payment in respect of any liquidation;
 - (xxiv) the failure of any other Guarantor or any other person who is intended to become a co-surety or co-indemnifier of that Guarantor to execute this agreement or any other document; or
 - (xxv) any other act, omission, matter or thing whether negligent or not.
- (b) Clause 8.12(a) applies irrespective of:
- (i) the consent or knowledge or lack of consent or knowledge, of any Indemnified Party, any Transaction Party or any other person of any event described in clause 8.12(a); or
 - (ii) any rule of law or equity to the contrary.

8.13 No competition

- (a) Until the Guaranteed Moneys have been fully paid and this clause 8 has been finally discharged, a Guarantor is not entitled to:
 - (i) be subrogated to any Indemnified Party;
 - (ii) claim or receive the benefit of:
 - (A) any Encumbrance, Guarantee or other document or agreement of which any Indemnified Party has the benefit;
 - (B) any moneys held by any Indemnified Party; or
 - (C) any Power;

- (iii) either directly or indirectly to prove in, claim or receive the benefit of any distribution, dividend or payment arising out of or relating to the liquidation of any Transaction Party liable to pay the Guaranteed Moneys, except in accordance with clause 8.13(b);
 - (iv) make a claim or exercise or enforce any right, power or remedy by way of contribution against any Transaction Party liable to pay the Guaranteed Moneys; or
 - (v) raise any defence or counterclaim in reduction or discharge of its obligations under this clause 8
- (b) If required by any Indemnified Party, a Guarantor must prove in any liquidation of any Transaction Party liable to pay the Guaranteed Moneys for all money owed to the Guarantor in accordance with the Indemnified Party's instructions.
- (c) All money recovered by a Guarantor in breach of this clause 8.13 from any liquidation or from any Transaction Party liable to pay the Guaranteed Moneys must be promptly paid to the Financier Representatives for the account of their Financiers and only if it does not create or take effect as a security interest for the purposes of the PPSA, until so paid must be received and held in trust by the Guarantor for the Indemnified Parties to the extent of the unsatisfied liability of the Guarantor under this clause 8.
- (d) A Guarantor must not do or seek, attempt or purport to do anything referred to in clause 8.13(a).

8.14 Continuing guarantee

This clause 8 is a continuing obligation of each Guarantor, despite:

- (a) any settlement of account; or
- (b) the occurrence of any other thing,

and remains in full force and effect until all the Guaranteed Moneys have been Finally Paid.

8.15 Variation

This clause 8 extends to cover the Finance Documents as amended, varied or replaced, whether with or without the consent of any one or more of the Guarantors, including any increase in the limit or maximum principal amount available under a Finance Document.

8.16 Judgments

A final judgment obtained against a relevant Transaction Party is conclusive as against each Guarantor.

8.17 Additional Guarantors

Any entity may become a Guarantor by executing a Guarantor Assumption Deed Poll.

8.18 Undertakings concerning Additional Guarantors

Each Transaction Party undertakes to the Financiers (except to the extent that the Financiers consent) to ensure that each Financier Representative has received the following in form and substance satisfactory to it before an entity becomes an Additional Guarantor:

- (a) **(verification certificate)** a certificate in relation to that entity given by a director or secretary of that entity substantially in the form of Schedule 6;
- (b) **(completed documents)** a duly executed Guarantor Assumption Deed Poll;
- (c) **(know your customer)** evidence of receipt of all “know your customer” documentation which is reasonably required by a Financier Representative to permit each Financier to carry out all necessary “know your customer” or other similar checks under all applicable anti-money laundering laws and regulations; and
- (d) **(legal opinion)** where the entity is incorporated outside Australia, an opinion of legal advisors to the relevant entity acceptable to the Financier Representatives in each case, (acting reasonably) and where the entity is incorporated in Australia, an opinion of legal advisors to the Financier Representatives.

8.19 Release of Guarantors

- (a) Any Guarantor (other than FOXTEL or any other Borrower) may, upon FOXTEL providing at least 30 days written notice to each Financier Representative, cease to be a Guarantor under this Deed Poll provided that:
 - (i) no Event of Default or Potential Event of Default subsists as at the proposed date of release of that Guarantor or will occur as a result of the release; and
 - (ii) immediately after it ceases to be a Guarantor:
 - (A) the Total Assets of the Transaction Parties is not less than 90% of the Total Assets of the FOXTEL Group calculated as at the most recent Calculation Date; and
 - (B) the aggregate contribution of the Transaction Parties to EBITDA is not less than 90% of the EBITDA of the FOXTEL Group for the 12 month period to the most recent Calculation Date.
- (b) FOXTEL shall provide such information as is reasonably requested by a Financier Representative in order to satisfy it that paragraph (a) above has been complied with.
- (c) Following the giving of a notice in accordance with paragraph (a), on:
 - (i) expiry of the 30 day period referred to in paragraph (a) in respect of a Guarantor in compliance with paragraph (a); and
 - (ii) the execution of a Deed of Release,the Finance Parties release such Guarantor from all its obligations under the Finance Documents.

9. Increased costs and illegality

9.1 Increased costs

- (a) If a Financier determines that any Change in Law affecting it or any of its holding companies (each a *Holding Company*) directly or indirectly:
- (i) increases the effective cost to that Financier of performing its obligations under the Finance Documents or funding or maintaining financial accommodation or a commitment under a Finance Document;
 - (ii) reduces any amount received or receivable by that Financier under the Finance Documents; or
 - (iii) in any other way reduces the effective return to that Financier or any Holding Company under the Finance Documents or the overall return on capital of that Financier or any Holding Company,

(each an *Increased Cost*), FOXTEL must pay to that Financier on demand compensation for the Increased Cost to the extent attributed by that Financier or Holding Company (using the methods it considers appropriate) to that Financier's obligations under the Finance Documents or the funding or maintenance of financial accommodation or a commitment under a Finance Document.

- (b) A claim under clause 9.1(a):
- (i) must contain reasonable details of the event giving rise to the claim, the amount of the claim and the basis of computation of the claim; and
 - (ii) in the absence of manifest error, is sufficient evidence of the amount to which the relevant Financier is entitled under clause 9.1(a) unless the contrary is proved.
- (c) If FOXTEL receives a demand from a Financier under clause 9.1(a), FOXTEL may, by written notice to the relevant Financier Representative and that Financier on or before the date which is 20 Business Days after the date of that demand, cancel the commitment of that Financier under a Finance Document and prepay the Guaranteed Moneys of that Financier in full.
- (d) A notice under clause 9.1(c) is irrevocable and FOXTEL must, on the date which is 40 Business Days after the date that the notice is given, pay to the relevant Financier the Guaranteed Moneys in respect of the relevant Financier in full.
- (e) Each Financier shall use reasonable endeavours to avoid or minimise an Increased Cost. If requested by FOXTEL, a Financier shall:
- (i) negotiate in good faith with FOXTEL for 30 days with a view to finding a means to avoid or minimise the Increased Cost; and
 - (ii) provided that FOXTEL has paid that Financier compensation for the Increased Cost in accordance with this clause 9.1, transfer its participation under the relevant Finance Document, on terms and conditions satisfactory to the relevant Financier Representative and that Financier (acting reasonably), to a person proposed by FOXTEL.

9.2 Illegality

- (a) If any Change in Law or other event makes it illegal for a Financier to perform its obligations under the Finance Documents or fund or maintain financial accommodation or a commitment under a Finance Document, that Financier may by notice to FOXTEL:
 - (i) suspend its obligations under the Finance Documents for the duration of the illegality; or
 - (ii) by notice to FOXTEL, cancel its commitment under the relevant Finance Documents and require FOXTEL to repay the Guaranteed Moneys in respect of that Financier in full on the date which is 40 Business Days after the date on which that Financier gives the notice or any earlier date required by, or to comply with, the applicable law.
- (b) A notice under clause 9.2(a)(ii) is irrevocable and, subject to paragraph (c), FOXTEL must, on the repayment date determined under clause 9.2(a)(ii), pay to the relevant Financier the Guaranteed Moneys in respect of that Financier in full.
- (c) If requested by FOXTEL, the relevant Financier must transfer its participation under the Finance Documents, on terms and conditions satisfactory to the relevant Financier Representative and that Financier (acting reasonably), to a person proposed by FOXTEL.

10. Interest on Overdue Amounts

10.1 Accrual

Except where the relevant Finance Document provides otherwise, interest accrues on each unpaid amount which is due and payable by a Transaction Party under or in respect of any Finance Document (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at the rate provided in clause 10.3.

10.2 Payment

Each Transaction Party shall pay interest accrued under this clause on demand by the relevant Financier Representative and on the last Business Day of each calendar quarter. That interest is payable in the currency of the unpaid amount on which it accrues.

10.3 Rate

The rate applicable under this clause is the sum of 2% per annum plus the higher of:

- (a) the rate (if any) applicable to the amount immediately before the due date; and

- (b) the rate agreed in respect of overdue amounts in accordance with the terms of the relevant Finance Document.

Interest is calculated on the basis of a year of 365 days or, where the drawing is in another currency for which such calculation basis is market convention, 360 days.

11. Indemnities

11.1 General indemnity

FOXTEL indemnifies each Indemnified Party against any Loss which that Indemnified Party suffers, incurs or is liable for, except to the extent attributable to the fraud, wilful misconduct or gross negligence of that Indemnified Party in respect of any of the following:

- (a) all or a part of any financial accommodation requested by a Transaction Party in accordance with a Finance Document not being made for any reason including any failure by a Transaction Party to fulfil any condition precedent contained in a Finance Document;
- (b) a Finance Party receiving payments of principal before the last day of an applicable Funding Period for any reason;
- (c) the occurrence of any Default;
- (d) an Indemnified Party exercising its Powers consequent upon or arising out of the occurrence of any Default, including in respect of any indemnity given to an administrator by an Indemnified Party; and
- (e) the attempted exercise, exercise or delay in the exercise of any Power.

11.2 Continuing indemnities and evidence of loss

- (a) Each indemnity of a Transaction Party in a Finance Document is a continuing obligation of the Transaction Party, despite:
 - (i) any settlement of account; or
 - (ii) the occurrence of any other thing,and remains in full force and effect until the Guaranteed Moneys are fully and finally repaid.
- (b) Each indemnity of a Transaction Party in a Finance Document is an additional, separate and independent obligation of a Transaction Party and no one indemnity limits the general nature of any other indemnity.
- (c) Each indemnity of a Transaction Party in a Finance Document survives the termination of any Finance Document.
- (d) A certificate given by an Officer of an Indemnified Party detailing the amount of any Loss covered by any indemnity in a Finance Document is sufficient evidence unless the contrary is proved.

12. Tax, costs and expenses

12.1 Tax

- (a) FOXTEL must pay any Tax, other than an Excluded Tax, in respect of any Finance Party, which is payable in respect of a Finance Document (including in respect of the execution, delivery, performance, release, discharge, amendment or enforcement of a Finance Document) or any Transaction.
- (b) FOXTEL must pay any fine, penalty or other cost in respect of a failure to pay any Tax described in clause 12.1(a) except to the extent that the fine, penalty or other cost is caused by the failure of the Finance Party to lodge money received from FOXTEL before the due date for lodgement within 5 Business Days of receipt.
- (c) FOXTEL indemnifies each Finance Party against any amount payable under this clause 12.1.

12.2 Costs and expenses

FOXTEL must pay:

- (a) all costs and expenses of each Indemnified Party in relation to:
 - (i) the enforcement, protection or waiver of any rights under any Finance Document; and
 - (ii) any enquiry by a Government Agency involving FOXTEL; and
- (b) all reasonable costs and expenses of each Indemnified Party in relation to:
 - (i) the negotiation, preparation, execution and printing of any Finance Document; and
 - (ii) the consent or approval of an Indemnified Party given under any Finance Document, in either case including:
 - (A) administration costs of each Indemnified Party in relation to the matters described in clause 12.2(a)(ii); and
 - (B) legal costs and expenses and any professional consultant's fees, on a full indemnity basis.

12.3 GST

- (a) In this clause 12.3:
 - (i) GST law has the same meaning as in the GST Act; and
 - (ii) words used which have a defined meaning in the GST law have the same meaning as in the GST law and a reference to an input tax credit entitlement of a party includes an input tax credit for an acquisition made by that party but to which another member of the same GST Group is entitled under the GST law.

- (b) Unless expressly included, the consideration for any supply under or in connection with a Finance Document does not include GST.
- (c) To the extent that any supply under or in connection with a Finance Document is a taxable supply, the consideration for that supply shall be increased by an amount equal to the consideration for the supply multiplied by the rate of GST imposed in respect of the supply. However, in the case of an amount payable under this clause 12.3(c) by a Finance Party, the amount shall not exceed the input tax credit to which that Finance Party is entitled in respect of the GST imposed on the supplier of the relevant supply.
- (d) In the case of an amount payable under clause 12.3(c) by a Finance Party in respect of a supply under a Finance Document, the amount payable by that Finance Party under clause 12.3(c) is due within 7 days of that Finance Party (or a member of the same GST Group as that Finance Party) receiving the benefit of an input tax credit in respect of the supply.
- (e) The Finance Party must issue a Tax Invoice to the recipient of a supply to which clause 12.3(c) applies on or prior to the time for payment of any part of the GST inclusive consideration determined under that clause.
- (f) If a party is entitled under a Finance Document to be reimbursed or indemnified by another party for a cost or expense incurred in connection with a Finance Document, the reimbursement or indemnity payment must not include any GST component of the cost or expense for which an input tax credit may be claimed by the party to be reimbursed or indemnified.
- (g) FOXTEL indemnifies and holds each Finance Party harmless against any loss, liability or outgoing (including any penalty, fine or interest) resulting from any failure or omission by FOXTEL in complying with its obligations under this clause 12.3 including as a result of any delay, miscalculation or misdirection by FOXTEL of an amount payable to, on behalf, or at the direction of that Finance Party.

13. Saving provisions

13.1 No merger of security

- (a) Nothing in any Finance Document, extinguishes, postpones, lessens or otherwise prejudicially affects:
 - (i) any Encumbrance or indemnity in favour of any Indemnified Party at any time; or
 - (ii) any right, power, authority, discretion or remedy which any Indemnified Party may have against a Transaction Party or any other person at any time.
- (b) No other Encumbrance or Finance Document held by any party in any way prejudicially affects any Power.

13.2 Exclusion of moratorium

To the extent not excluded by law, a provision of any legislation which directly or indirectly:

- (a) lessens, varies or affects in favour of:
 - (i) a Transaction Party; or
 - (ii) FOXTEL,any obligations under the Finance Documents; or
- (b) stays, postpones or otherwise prevents or prejudicially affects the exercise by any Indemnified Party of any Power, is negated and excluded from the Finance Documents and all relief and protection conferred on a Transaction Party by or under that legislation is also negated and excluded.

13.3 Conflict

Where any Power of any Indemnified Party is inconsistent with the powers conferred by applicable law then, to the extent not prohibited by that law, the powers conferred by applicable law are regarded as negated or varied to the extent of the inconsistency.

13.4 Consents

- (a) Whenever any action by a Transaction Party is dependent on the consent or approval of an Indemnified Party, the Indemnified Party may withhold its consent or approval or give it conditionally or unconditionally in its absolute discretion unless expressly stated otherwise in a Finance Document.
- (b) Any conditions to the consent or approval must be complied with.

13.5 Principal obligations

Each Finance Document is:

- (a) a principal obligation and is not ancillary or collateral to any other Encumbrance (other than another security for stamp duty purposes) or other obligation; and
- (b) independent of, and unaffected by, any other Encumbrance or other obligation which any Indemnified Party may hold at any time in respect of the Guaranteed Moneys.

13.6 No Obligation to marshal

A Finance Party is not required to marshal or to enforce or apply under or appropriate, recover or exercise:

- (a) any Encumbrance or Guarantee or other document or agreement held at any time, by an Indemnified Party; or
- (b) any money or asset which an Indemnified Party at any time, holds or is entitled to receive.

13.7 Non avoidance

If any payment by any Transaction Party to an Indemnified Party is at any time avoided for any reason including any legal limitation, disability or incapacity of or affecting the Transaction Party or any other thing, and whether or not:

- (a) any transaction relating to the Guaranteed Moneys was illegal, void or substantially avoided; or
- (b) any thing was or ought to have been within the knowledge of any party, then:
- (c) that Transaction Party as an additional, separate and independent obligation, indemnifies the Indemnified Party against that avoided payment; and
- (d) each Transaction Party acknowledges that its liability under the Finance Documents and any Power is the same as if that payment had not been made.

13.8 Set off authorised

If a Transaction Party (other than a Partner in its personal capacity) does not pay any amount when due and payable by it to the relevant Financier Representative under a Finance Document, that Financier Representative may while an Event of Default is continuing:

- (a) apply any credit balance in any currency in any account of that Transaction Party with the Financier Representative in or towards satisfaction of that amount; and
- (b) effect any currency conversion which may be required to make an application under clause 13.8(a).

13.9 Certificates and approvals

- (a) A certificate signed by any Officer of a Financier Representative in relation to any amount, calculation or payment under any Finance Document is sufficient evidence of that amount, calculation or payment unless the contrary is proved.
- (b) Where any provision of a Finance Document requires the approval of an Indemnified Party, that approval will not be effective unless and until it is provided in writing.

13.10 No reliance or other obligations and risk assumption

Each Transaction Party acknowledges and confirms that:

- (a) it has not entered into any Finance Document in reliance on any representation, warranty, promise or statement made by or on behalf of any Indemnified Party;
- (b) in respect of the transactions evidenced by the Finance Documents, no Indemnified Party has any obligations other than those expressly set out in, but subject to, the Finance Documents; and
- (c) in respect of interest rates or exchange rates, no Indemnified Party is liable for:
 - (i) any movement in interest rates or exchange rates; or

- (ii) any information, advice or opinion provided by or on behalf of that Indemnified Party, even if:
 - (A) provided at the request of a Transaction Party (it being acknowledged by each Transaction Party that such matters are inherently speculative);
 - (B) relied on by a Transaction Party; or
 - (C) provided incorrectly or negligently.

14. Assignments

- (a) A Transaction Party may only assign or transfer any of its rights or obligations under this Deed Poll with the prior written consent of each Financier Representative.
- (b) A Finance Party may assign or transfer all or any of its rights under this Deed Poll in accordance with the provisions set out in a Finance Document as part of a corresponding dealing with its rights under the relevant Finance Document.

15. General

15.1 Notices

- (a) Any notice or other communication including any request, demand, consent or approval, to or by a party to any Finance Document is only effective if it is:
 - (i) in legible writing and in English addressed as shown below, signed by or on behalf of the person giving it:
 - (A) if to FOXTEL:
 - Address: 5 Thomas Holt Drive
North Ryde NSW 2113
 - Attention: Chief Operating Officer
 - Facsimile: (02) 9813 7606
 - Email: Peter.Tonagh@foxtel.com.au
 - (B) if to an Initial Guarantor, to the address for that Initial Guarantor set out in schedule 1;
 - (C) if to an Additional Guarantor, to the address for that Additional Guarantor set out in a Guarantee Assumption Agreement;
 - (D) if to a Finance Party, to the address for that Finance Party specified in the Finance Documents to which that Finance Party is a party,
- or as specified to the sender by any party by notice;
- (ii) where the sender is a company, signed by an Officer or under the common seal of the sender;

- (iii) given in one of the following ways:
 - (A) sent by prepaid mail (by airmail, if the addressee is overseas) or delivered to that person's address;
 - (B) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full without error;
 - (C) given personally;
 - (D) sent in electronic form (such as email), and, for the purposes of sub-paragraphs (i) and (ii) above, communications sent by email will be taken to be signed by the named sender of the email; or
 - (E) given in any other manner permitted by law;
- (b) Subject to paragraph (c), a notice or other communication that complies with this clause 15.1 is conclusively regarded as being given by the sender and received by the addressee:
 - (A) if it is sent by facsimile or delivered, if received:
 - (1) by 5.00 pm (local time in the place of receipt) on a Business Day, on that Business Day; or
 - (2) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day, on the next Business Day;
 - (B) if by post, when it would be delivered in the ordinary course of post, but in any event, not later than 3 Business Days after posting within Australia, or, not later than 7 Business Days after posting to or from a place outside Australia; or
 - (C) if given personally, when actually received by that person;
 - (D) if it is sent in electronic form:
 - (1) in compliance with the rules established under paragraph (d), at the time specified in those rules; or
 - (2) in the absence of those rules, if the time recorded on the device at the place of receipt is before 5.00 pm on a Business Day, that Business Day, or, if the time recorded on the device at the place of receipt is after 5.00 pm on a Business Day, or on a day that is not a Business Day, on the next Business Day,

unless the sender received an automated message that the notice, or other communication had not been delivered within 4 hours after the time on the device from which the sender sent the notice or other communication; and
 - (E) if it is given in any other manner permitted by law, when actually received by that person, unless a later time of receipt is specified in it.

- (c) Any notice or other communication to be made or delivered to a Financier Representative will be effective only when actually received by it and only if it is expressly marked for the attention of the department or officer specified in the relevant Syndicated Facility Agreement.
- (d) Any notice or other communication under this document or a Syndicated Facility Agreement may be given by means of a secure website access which is restricted to the parties to the Finance Documents (and, where applicable, their financial and legal advisers) established by a Financier Representative or other electronic means in a manner and subject to rules established by the Financier Representative and agreed with FOXTEL.
- (e) In this clause 15.1, a reference to an addressee includes a reference to an addressee's Officers, agents or employees or any person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

15.2 Governing law and jurisdiction

- (a) Each Finance Document is governed by the laws of New South Wales, unless otherwise specified.
- (b) Each Transaction Party irrevocably submits to the non exclusive jurisdiction of the courts of New South Wales.
- (c) Each Transaction Party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each Transaction Party irrevocably waives any immunity in respect of its obligations under this Deed Poll that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment prior to judgment, attachment in aid of execution or execution.
- (e) A Finance Party may take proceedings in connection with the Finance Documents in any other court with jurisdiction or concurrent proceedings in any number of jurisdictions.

15.3 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, any Finance Document or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, any Finance Document which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

15.4 Waivers

- (a) Waiver of any right arising from a breach of any Finance Document or of any Power arising upon default under any Finance Document must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
 - (i) a right arising from a breach of a Finance Document;
 - (ii) a Power created or arising upon default under a Finance Document,does not result in, and may not be relied upon as, a waiver of that right, discretion or Power.
- (c) A party is not entitled to rely on a delay in the exercise or non exercise of a right, discretion or Power arising from a breach of a Finance Document or on a default under a Finance Document as constituting a waiver of that right or Power.
- (d) A party may not rely on any conduct of another party as a defence to exercise of a right, discretion or Power by that other party.
- (e) This clause may not itself be waived except by writing.

15.5 Variation

- (a) This Deed Poll may only be amended with the prior written consent of each Financier Representative.
- (b) A variation of any term of any Finance Document must be in writing and signed by the parties to that Finance Document.
- (c) A Financier Representative may sign a variation of any term of any Finance Document under clause 15.5(b) on behalf of its Financiers if it is permitted to do so under the relevant Finance Documents.

15.6 Cumulative rights

The Powers are cumulative and do not exclude any other right, power, authority, discretion or remedy of any Finance Party.

15.7 Counterparts

- (a) Each Finance Document may be executed in any number of counterparts.
- (b) All counterparts of any Finance Document, taken together, constitute one **instrument**.
- (c) A party may execute a Finance Document by signing any counterpart.

15.8 Attorneys

Each attorney executing this Deed Poll states that he or she has no notice of revocation or suspension of his or her power of attorney.

16. Confidentiality

16.1 Confidentiality

Subject to clause 16.2, no party shall disclose any unpublished information or documents supplied by any party in connection with the Finance Documents which are specifically indicated by the relevant party to be confidential and are not in the public domain.

16.2 Permitted disclosure

A party may disclose any confidential information or documents:

- (a) in enforcing a Finance Document, in a proceeding arising out of or in connection **with a Finance Document**;
- (b) if required under a binding order of a Government Agency or any procedure for discovery in any proceedings;
- (c) if required under any law or any administrative guideline, directive, request or policy whether or not having the force of law and, if not having the force of law, with which responsible banks or financial institutions similarly situated would normally comply (except that this paragraph does not require a Finance Party to disclose any information of the kind referred to in section 275(1) of the PPSA other than where required due to the operation of section 275(7) of the PPSA);
- (d) as required or permitted by any Finance Document (including the provision of information the Finance Party considers appropriate to any proposed assignee or transferee permitted by clause 14(b) and the relevant Finance Documents);
- (e) to any ratings agency where disclosure is made on the basis that the recipient will keep the information confidential;
- (f) to its legal advisers, auditors and its consultants where disclosure is made on the basis that the recipient will keep the information confidential;
- (g) to any stock exchange, provided that a party may not disclose information relating to pricing, margin or fees concerning the financial accommodation without the prior written consent of each other party;
- (h) to its Related Bodies Corporate and their legal advisers, auditors and consultants where disclosure is made on the basis that the recipient will keep the information confidential; or
- (i) with the prior written consent of the relevant party.

16.3 Survival of obligation

This clause survives the termination of this Deed Poll but will cease to apply in relation to a Finance Party on and from the third anniversary of the final repayment date or termination date (however described) under its Finance Documents.

17. PPSA

- (a) If the Finance Documents (or a transaction in connection with them) operates as, or gives rise to, a security interest for the purposes of the PPSA, the Transaction Parties will do anything (such as obtaining consents, signing and producing documents, getting documents completed and signed and supplying information, and procuring any related party to do any of those things) which a Financier Representative reasonably asks and is reasonably necessary for the purposes of:
 - (i) ensuring that the security interest is enforceable, perfected or otherwise effective;
 - (ii) enabling that Financier Representative to apply for any registration, or give any notification, in connection with the security interest so that the security interest has the priority intended by the Finance Parties at the date of the relevant Finance Document; or
 - (iii) enabling that Financier Representative to exercise rights in connection with its security interest.
- (b) No party may disclose information of the kind referred to in section 275(1) of the PPSA (except that a Finance Party may do so where required due to the operation of section 275(7) of the PPSA or in accordance with another provision of a Finance Document), and a Transaction Party must not authorise the disclosure of such information.

Schedule 1

Guarantors

<u>Name</u>	<u>ABN/ACN/ARBN</u>	<u>Address and Notice details</u>
The FOXTEL Partnership		Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
The FOXTEL Television Partnership		Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
Artist Services Cable Management Pty Limited	97 072 725 289	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
Customer Services Pty Limited	76 069 272 117	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
FOXTEL Cable Television Pty limited	45 069 008 797	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
FOXTEL Management Pty Limited in its own capacity and as FOXTEL Agent and as agent for the FOXTEL Television Partnership	65 068 671 938	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief Operating Officer Facsimile: (02) 9813 7606
Sky Cable Pty Limited	14 069 799 640	Address: Level 5, 2 Holt Street Surry Hills NSW 2010 Attention: Company Secretary Facsimile: (02) 9288 3275

<u>Name</u>	<u>ABN/ACN/ARBN</u>	<u>Address and Notice details</u>	
Telstra Media Pty limited	72069 279 027	Address:	Level 9 400 George Street SYDNEY NSW 2000
		Attention:	Head of Media
		Facsimile:	(02) 9223 4851
The Racing Channel Cable-TV Pty limited	91 069 619 307	Address:	5 Thomas Holt Drive, North Ryde NSW 2113
		Attention:	Chief Operating Officer
		Facsimile:	(02) 9813 7606
FOXTEL Finance Pty limited	151 691 897	Address:	5 Thomas Holt Drive, North Ryde NSW 2113
		Attention:	Chief Operating Officer
		Facsimile:	(02) 9813 7606
FOXTEL Holdings Pty limited	151 690 327	Address:	5 Thomas Holt Drive, North Ryde NSW 2113
		Attention:	Chief Operating Officer
		Facsimile:	(02) 9813 7606
FOXTEL Australia Pty limited	151 691 753	Address:	5 Thomas Holt Drive, North Ryde NSW 2113
		Attention:	Chief Operating Officer
		Facsimile:	(02) 9813 7606

Schedule 2

Form of Finance Party Nomination Letter

To: *[Financier]/[Financier Representative]*

Date: [*]

Dear Sirs

Finance Party Nomination Letter—Common Terms Deed Poll dated [*] given by FOXTEL Management Pty Limited and the Initial Guarantors listed in schedule 1 to that document (the *Common Terms Deed Poll*) in favour of the Finance Parties.

Terms defined in the Common Terms Deed Poll have the same meaning when used in this letter. This is a Finance Party Nomination Letter for the purposes of the Common Terms Deed Poll.

We nominate:

- (a) the following person[s] as a Financier for the purposes of the Common Terms Deed Poll:
[*];
- (b) the following person as a Financier Representative for the purposes of the Common Terms Deed Poll:
[*];
- (c) the following document[s] as Finance Document[s] for the purposes of the Common Terms Deed Poll:
[*]; and
- (d) the following document as a Syndicated Facility Agreement for the purposes of the Common Terms Deed Poll:
[*].

For and on behalf of:

FOXTEL Management Pty Limited

Common Terms Deed Poll

Schedule 3

Group Structure Diagram

[NOTE: to be inserted]

Schedule 4

Compliance Certificate

Clause 5.1(c)

To: [*] (*Financier Representative*)

Compliance Certificate as at [Date]

I refer to the common terms deed poll (*Common Terms Deed Poll*) dated [*] 2012 given by FOXTEL Management Pty Limited (*FOXTEL*) and each party listed in schedule 1 to that document.

A term defined in the Common Terms Deed Poll has the same meaning when used in this Compliance Certificate.

We certify on behalf of FOXTEL as follows, as at [*insert date*]:

- (a) EBITDA in relation to [*insert period*] was \$[*insert EBITDA*] and the information and calculations which we used in order to determine EBITDA for the purposes of this Compliance Certificate are set out below:

[insert details of figures and calculations];

- (b) Interest Service for [*insert period*] was \$ [*insert Interest Service*] and the information and calculations which we used in order to determine Interest Service for the purposes of this Compliance Certificate are set out below:

[insert details of figures and calculations];

- (c) Total Debt on that date was \$[*insert Total Debt*] and the information and calculations which we used in order to determine Total Debt for the purposes of this Compliance Certificate are set out below:

[insert details of figures and calculations];

- (d) [The Transaction Parties are [*insert names of Transaction Parties*]. Their aggregate contribution to Total Assets of the FOXTEL Group is [*insert %*] and to EBITDA of the FOXTEL Group is [*insert %*] and the information and calculations which we used in order to determine our compliance with clause 5.14(b) of the Common Terms Deed Poll for the purposes of this Compliance Certificate are set out below:

[insert details of figures and calculations];

and, based on (a) to (c) above:

- (1) the Interest Cover Ratio in relation to [*insert period*] was [*insert Interest Cover Ratio*] which ratio [*does/ does not*] comply with the provisions of clause 5.12(a) of the Common Terms Deed Poll; and
- (2) the Total Debt to EBITDA Ratio in relation to the 12 month period ending on that date was [*insert Total Debt to EBITDA Ratio*] which ratio [*does/does not*] comply with the provisions of clause 5.12(b) of the Common Terms Deed Poll.

Following are details of the foreign exchange and interest rate hedging profiles that the Transaction Parties currently have in place: **[insert details]**.

We represent and warrant that no Default is continuing except as follows: [_____], and we have taken/propose the following remedial action **[insert action]**];

[We acknowledge that disclosure of exceptions to compliance will not prejudice any Finance Party’s rights under the Common Terms Deed Poll or any Finance Document, including clauses relating to conditions precedent under a Finance Document and clause 6 of the Common Terms Deed Poll, or affect the operation of clause 4.2(b) of the Common Terms Deed Poll.]

Date: **[insert date]**

Signed for and on behalf of **FOXTEL Management Pty limited by:**

Director

Director

Name (please print)

Name (please print)

Note: To be signed by 2 Directors of FOXTEL.

Schedule 5

Form of Guarantor Assumption Deed Poll

Deed Poll

Additional Guarantor [Insert name and ABN/ACN/Reg. No etc]

of: [insert address]

Fax no:

Attention:

Common terms deed poll (**Common Terms Deed Poll**) dated [*] 2012 given by FOXTEL Management Pty Limited (*FOXTEL*) and each party listed in schedule 1 to that document.

BY THIS DEED POLL the Additional Guarantor described above, for the benefit of the Finance Parties referred to in the Common Terms Deed Poll described above:

- (a) irrevocably agrees that from the date of this deed poll it is a Guarantor under the Common Terms Deed Poll;
- (b) irrevocably agrees to comply with and be bound by all current and future obligations of a Guarantor and a Transaction Party under the Common Terms Deed Poll and any other Finance Document;
- (c) gives, as at the date of this deed poll, all representations and warranties on the part of a Guarantor or a Transaction Party contained in the Common Terms Deed Poll;
- (d) acknowledges having received a copy of and approved the Common Terms Deed Poll together with all other Finance Documents and other documents and information it requires in connection with the Common Terms Deed Poll before signing this deed poll; and
- (e) acknowledges receiving valuable consideration for signing this deed poll.

Clauses 1 (**Definitions and Interpretation**) and 15.2 (**Governing law and jurisdiction**) of the Common Terms Deed Poll described above apply to this deed poll as if they were fully set out in this deed poll.

For the purposes of the Finance Documents, the address for correspondence of the Additional Guarantor is the address set out below:

[*]

This deed poll is governed by the laws of New South Wales.

Common Terms Deed Poll

DATED *[Insert Date]*

EXECUTED as a deed poll

[If the Additional Guarantor is signing under a Power of Attorney] [each attorney executing this deed poll states that he or she has no notice of revocation or suspension of his or her power of attorney.]

[Insert execution clause for Additional Guarantor]

Schedule 6

Form of Additional Guarantor Verification Certificate

Verification Certificate

NOTE: To be signed by a secretary and director or any two directors of the Transaction Party.

To: [*] (*Financier Representative*)

We are [two directors]/[a director and the secretary] of [*] (the *Company*).

We refer to the common terms deed poll (*Common Terms Deed Poll*) dated [*] 2012 given by FOXTEL Management Pty Limited (*FOXTEL*) and each party listed in schedule 1 to that document.

Definitions in the Common Terms Deed Poll apply in this Certificate.

Attached are complete copies of the following, which as at the date of this Certificate are in full force and effect and have not been revoked, suspended or amended.

- (a) [if *applicable*] A power of attorney (the *Power of Attorney*) under which the Company executed the Guarantor Assumption Deed Poll.
- (b) Extracts of minutes of a meeting of directors of the Company authorising the execution by the Company of the Guarantor Assumption Deed Poll and the Power of Attorney and containing resolutions that the entry into the Guarantor Assumption Deed Poll is in the best interests of the Company.
- (c) Up to date constitutional documents for the Company.

[Director]

[Secretary/Director]

Schedule 7

Form of Deed of Release

Deed of Release

Parties: The Retiring Guarantor and Continuing Guarantors, as described below

Retiring Guarantor: *[Insert name and ABN/ACN etc]*

Continuing Guarantors: FOXTEL Management Pty Limited (ABN 65 068 671 938) (**FOXTEL**) in its own capacity on behalf of itself and each other Guarantor named in the schedule below in accordance with clause 2.3(a) of the Common Terms Deed Poll.

Common Terms Deed Poll: The common terms deed poll dated [*] 2012 given by FOXTEL and each party listed in schedule 1 to that document

The Retiring Guarantor described above is released from all liability under the Common Terms Deed Poll with effect from *[Insert date or "the date of this deed poll"]*.

Each Continuing Guarantor consents to this release and agrees that nothing in this deed poll affects its obligations to any Financier or a Financier's rights in respect of the Continuing Guarantors under a Finance Document.

Clauses 1 (**Definitions and Interpretation**), 15.2 (**Governing law and jurisdiction**) and 15.7 (**Counterparts**) of the Common Terms Deed Poll described above apply to this deed poll as if they were fully set out in this deed poll.

This deed poll is governed by the laws of New South Wales.

Schedule

[Insert list of Continuing Guarantors]

DATED *[Insert Date]*

EXECUTED as a deed poll

[If the Retiring Guarantor is signing under a Power of Attorney] [each attorney executing this Deed states that he or she has no notice of revocation or suspension of his or her power of attorney.]

[Insert execution clauses for (1) FOXTEL Management Pty Limited on behalf of itself and each Continuing Guarantor and (2) the Retiring Guarantor]

Executed and delivered as a Deed Poll

Each attorney executing this Deed Poll states that he *or* she has no notice of revocation or suspension of his or her power of *attorney*.

FOXTEL

Executed as a deed in accordance with section 127 of the *corporations Act 2001* by **FOXTEL Management Pty Limited:**

/s/ Richard Freudenstein
Director Signature
RICHARD FREUDENSTEIN

Print Name

Guarantors:

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Artist Services Cable Management Pty Limited:**

/s/ Peter Tonagh
Director Signature
PETER TONAGH

Print Name

/s/ Lynette Ireland
Secretary Signature
SIGNED BY-
LYNETTE IRELAND

Print Name

/s/ Lynette Ireland
Secretary Signature
SIGNED BY-
LYNETTE IRELAND

Print Name

Executed as a deed in accordance with section 127 of the *corporations Act 2001* by **Customer Services Pty Limited:**

/s/ Richard Freudenstein
Director Signature
RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland
Secretary Signature
SIGNED BY-
LYNETTE IRELAND

Print Name

Executed as a deed in accordance with section 127 of the *corporations Act 2001* by **FOXTEL Cable Television Pty Limited:**

/s/ Richard Freudenstein
Director Signature
RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland
Secretary Signature
SIGNED BY-
LYNETTE IRELAND

Print Name

Executed as a deed in accordance with section 127 of the *corporations Act 2001* by **FOXTEL Management Pty Limited:**

/s/ Richard Freudenstein
Director Signature
RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland
Secretary Signature
SIGNED BY-
LYNETTE IRELAND

Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Sky Cable Pty Limited** in its own capacity and as a Partner in the FOXTEL Partnership and the FOXTEL Television Partnership:

/s/ Ian Philip
Director Signature

Ian Philip
Print Name

Signed Sealed and Delivered for Telstra Media Pty limited in its own capacity and as a Partner in the FOXTEL Partnership and the FOXTEL Television Partnership by its attorneys in the presence of:

/s/ Adrienne Lyle
Witness Signature

Adrienne Lyle
Print Name

/s/ Elizabeth Greig
Witness Signature
ELIZABETH GREIG
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by The Racing Channel Cable-TV Pty Limited:

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name

/s/ Stephen Rue
Director Signature

Stephen Rue
Print Name

/s/ Clifford B. Davis
Attorney Signature

Clifford B. Davis

Print Name

/s/ Andrew Penn
Attorney Signature

Andrew Penn

Print Name

/s/ Lynette Ireland
Director/Secretary Signature

LYNETTE IRELAND

Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL Finance Pty Limited**:

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL Holdings Pty Limited**:

/s/ Peter Tonagh
Director Signature
PETER TONAGH
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by FOXTEL Australia Pty Limited:

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name

/s/ Lynette Ireland
Secretary Signature

SIGNED BY-
LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary Signature
LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Guarantee Deed Poll

The Allens contact for this document is Alan Maxton

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

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This Deed Poll is made on 3 April 2018

BY:

Each Person specified in the Schedule (each, a *Guarantor*).

Recital

This Deed Poll is made in favour of each Finance Party from time to time as defined in this Deed Poll. The Guarantors enter into this Deed Poll for valuable consideration including the Finance Parties continuing to extend financial accommodation to or at the request of the Borrowers.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Common Terms Deed Poll means the common terms deed poll dated 10 April 2012 given by Foxtel Management Pty Limited, the parties listed in Schedule 1 to that document and others in favour of the Finance Parties.

Finance Document has the meaning given to that term in the Common Terms Deed Poll.

Finance Party means each Finance Party under the Common Terms Deed Poll to whom, or to whose Financier Representative (as defined in the Common Terms Deed Poll), a Finance Party Nomination Letter is addressed in respect of this Deed Poll.

Finance Party Nomination Letter has the meaning given to that term in the Common Terms Deed Poll.

Financier means each Financier under the Common Terms Deed Poll to whom, or to whose Financier Representative (as defined in the Common Terms Deed Poll), a Finance Party Nomination Letter is addressed in respect of this Deed Poll.

Financier Representative means a Financier Representative under the Common Terms Deed Poll to whom a Finance Party Nomination Letter is addressed in respect of this Deed Poll.

Guaranteed Moneys means all debts and monetary liabilities of each Transaction Party to the Finance Parties under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:

- (a) are present or future;
- (b) are actual, prospective, contingent or otherwise;
- (c) are at any time ascertained or unascertained;
- (d) are owed or incurred by or on account of any Transaction Party alone, or severally or jointly with any other person;
- (e) are owed to or incurred for the account of any Finance Party alone, or severally or jointly with any other person;
- (f) are owed to any other person as agent (whether disclosed or not) for or on behalf of any Finance Party;
- (g) are owed or incurred as principal, interest, fees, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account;

- (h) are owed to or incurred for the account of any Finance Party directly or as a result of:
 - (i) the assignment or transfer to any Finance Party of any debt or liability of any Transaction Party (whether by way of assignment, transfer or otherwise); or
 - (ii) any other dealing with any such debt or liability;
- (i) are owed to or incurred for the account of a Finance Party before the date of this Deed Poll, or before the date of any assignment of any Finance Document to any Finance Party by any other person or otherwise; or
- (j) comprise any combination of the above.

Insolvency Event has the meaning given to that term in the Common Terms Deed Poll as if references in the clauses referred to in that definition to a Transaction Party were references to a Guarantor.

Material Adverse Effect has the meaning given to that term in the Common Terms Deed Poll as if references in that definition to a Transaction Party were references to a Guarantor.

Officer means:

- (a) in respect of each Guarantor, any director or secretary, or a person notified to be an authorised officer by the relevant Guarantor; and
- (b) in relation to a Finance Party, any person whose title includes the word 'Director', 'Managing Director', 'Head', 'Executive', 'Manager' or 'Vice President', and any other person appointed by the Finance Party to act as its authorised officer for the purposes of the Finance Documents.

Power means any right, power, authority, discretion or remedy conferred on any Finance Party by this Deed Poll or any applicable law.

Transaction Party has the meaning given to that term in the Common Terms Deed Poll.

1.2 Interpretation

In this Deed Poll, headings and bold type are for convenience only and do not affect the interpretation of this Deed Poll and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Deed Poll have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, a Finance Document and a reference to a Finance Document includes any annexure, exhibit and schedule to that Finance Document;
- (g) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to an agreement other than a Finance Document or this Deed Poll includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (k) a reference to an asset includes all property of any nature, including a business, and all rights, revenues and benefits;
- (l) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) no provision of this Deed Poll will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Deed Poll or that provision;
- (o) a covenant or agreement on the part of two or more Guarantors binds them jointly and severally;
- (p) references to time are to Sydney time;
- (q) unless the contrary intention appears, any provision of this Deed Poll which specifies a particular day on which a calculation is to be made or an obligation performed, will be construed as requiring that calculation to be made or that obligation to be performed at or before 5.00pm on that day;
- (r) a reference in this Deed Poll to:
 - (i) **amendment** includes a supplement, novation, restatement or modification and 'amended' is to be construed accordingly;
 - (ii) **continuing**, in relation to a Default, indicates a Default that has not been remedied to the satisfaction of the relevant Financier Representative (acting in good faith) or waived in writing in accordance with the terms of the relevant Finance Document; and
 - (iii) **undertaking, assets and rights** includes a reference to all real and personal property, choses in action, goodwill and uncalled and called, but unpaid capital;
- (s) where an act is required to be performed **promptly**, it shall be performed within as short a period as reasonably possible from the moment when the act could reasonably be performed, taking into account all of the circumstances;
- (t) for the purposes of:
 - (i) making a representation or warranty;
 - (ii) complying with any notification requirement or other undertaking; or
 - (iii) determining whether a Default has occurred,

the value of any relevant transaction, event or other thing which is not denominated in Dollars, shall be taken into account as if the value of that transaction, event or other thing were converted into Dollars on the relevant date; and

- (u) a reference to *remedying* an Event of Default includes overcoming its consequences.

1.3 Inclusive expressions

Specifying anything in this Deed Poll after the words 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Accounting Standards

Any accounting practice or concept relevant to the Finance Documents is to be construed or determined in accordance with the Accounting Standards.

1.5 Incorporated definitions

Unless the contrary intention appears, capitalised terms defined in the Common Terms Deed Poll have the same meaning in this Deed Poll.

1.6 Acknowledgments

Each Guarantor:

- (a) acknowledges having received a copy of and approved the Common Terms Deed Poll together with all other Finance Documents and other documents and information it requires in connection with the Common Terms Deed Poll before signing this Deed Poll; and
- (b) acknowledges receiving valuable consideration for signing this Deed Poll.

2 Deed Poll

2.1 Finance Parties and Finance Documents

- (a) This Deed Poll is given by the Guarantors in favour of the Finance Parties from time to time. Each Finance Party has the benefit of and may enforce this Deed Poll even though it is not a party to, or is not in existence at the time of execution and delivery of this Deed Poll, in relation to the Finance Debt to which that Finance Party is entitled and each Finance Document under which that Finance Party has rights, benefits or obligations.
- (b) Each undertaking in this Deed Poll is made in favour of the Finance Parties.
- (c) Each Guarantor irrevocably acknowledges that FOXTEL may sign and deliver a Finance Party Nomination Letter nominating this Deed Poll as a Finance Document whereupon this Deed Poll shall be a *Finance Document* for the purposes of the Common Terms Deed Poll.

2.2 Removal of benefit for particular Finance Party

Subject to clause 13.7 of the Common Terms Deed Poll, this Deed Poll ceases to be for the benefit of and enforceable by a Finance Party if at any time:

- (a) that Finance Party has been Finally Paid;
- (b) that Finance Party is not committed to providing further financial or other accommodation to any Transaction Party pursuant to any Finance Document; and
- (c) if requested by FOXTEL and agreed in writing by the relevant Finance Party.

If FOXTEL makes a request to a Finance Party under paragraph (c) above subject to the circumstances in paragraphs (a) and (b) above existing, that Finance Party will promptly confirm in writing that it agrees that this Deed Poll has ceased to be for the benefit of and enforceable by that Finance Party.

2.3 Power of attorney

- (a) Each Guarantor (other than NXE Australia Pty Limited) irrevocably appoints NXE Australia Pty Limited as its attorney (*Attorney*) to do anything which the Guarantor may do (including to execute any document on its behalf) under or in relation to any Finance Document including to execute and deliver any document amending or supplementing this Deed Poll.
- (b) Without limitation, the Attorney may at any time delegate the Attorney's powers (including delegation).

2.4 Syndicated Facility Agreements

In relation to a Finance Document which is a Syndicated Facility Agreement:

- (a) any notice, consent, direction, opinion, approval, waiver, variation, agreement or communication which may be given, or which is required to be given either by or to a Financier under this Deed Poll may be given by, and shall be given to, the relevant Financier Representative (on behalf of each Financier under that Syndicated Facility Agreement) and if so given, shall, for the purposes of this Deed Poll, be regarded as having been given to or by each such Financier;
- (b) the parties acknowledge and agree that the relevant Financier Representative under that Syndicated Facility Agreement in giving any such notice, consent, direction, approval, waiver, variation, agreement or other communication or forming any opinion, will be acting on the instructions of the Financiers under and in accordance with that Syndicated Facility Agreement, and references to "acting reasonably", "in the opinion of", "being satisfied" or similar expressions shall be construed accordingly and where used in connection with the relevant Financier Representative shall be construed as referring to each of the Financiers from whom the relevant Financier Representative is required to obtain instructions in so acting. Each Guarantor shall be entitled to assume in its dealings with the relevant Financier Representative that it has the necessary authority to so act and to bind each Financier under the relevant Syndicated Facility Agreement, until such time as NXE Australia Pty Limited is notified in writing to the contrary; and
- (c) references in this Deed Poll to "a Financier" or "the Financier" shall be construed accordingly.

2.5 Several application of Deed Poll

In relation to each Finance Document, each Finance Party under that Finance Document and the Transactions (jointly a *Relevant Transaction*), the provisions of this Deed Poll shall be construed (unless a contrary intention is expressly indicated):

- (a) to apply to each such Relevant Transaction separately;
- (b) such that the representations, warranties, undertakings, events of default and other provisions apply to that Relevant Transaction separately and gives each Finance Party to that Relevant Transaction rights in relation to that Relevant Transaction separately; and
- (c) such that each reference to "each Financier Representative" or "the Financier Representatives" means the relevant Financier Representative in respect of the Relevant Transaction.

3 Payments

Clause 3 (**Payments**) of the Common Terms Deed Poll applies to this Deed Poll as if references in that clause to a Transaction Party were references to a Guarantor.

4 Representations and Warranties

4.1 Representations and Warranties

Each Guarantor makes the following representations and warranties for the benefit of each Finance Party.

- (a) **(status):** it is a corporation registered (or taken to be registered) and validly existing under the laws of the jurisdiction of its incorporation;
- (b) **(power and authorisation):** it has the power and authority to enter into and perform its obligations under and carry out the transactions contemplated by this Deed Poll and to own its assets and to carry on its business as now conducted. It has taken all necessary action to authorise the entry into, delivery and performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) **(document binding):** this Deed Poll constitutes its legal, valid, binding and enforceable obligation enforceable in accordance with its terms subject to laws generally affecting creditors' rights and principles of equity;
- (d) **(transactions permitted):** the execution, delivery and performance by it of this Deed Poll and each transaction contemplated under this Deed Poll did not and will not breach or result in a contravention of:
 - (i) any law, treaty, judgement, ruling, order, regulation or decree of a Government Agency binding on it or Authorisation;
 - (ii) its constitution or other constituent documents; or
 - (iii) any Encumbrance or material agreement which is binding on it or its assets, and did not and will not:
 - (iv) create or impose any Encumbrance on any of its assets; or
 - (v) allow a person to accelerate or cancel an obligation with respect to Finance Debt or constitute an event of default, cancellation event, prepayment event or similar event (whatever called) under an agreement relating to Finance Debt, whether immediately or after notice or lapse of time or both;
- (e) **(no litigation):** except as disclosed in full to each Financier Representative in writing before the date of this Deed Poll, there is no litigation, arbitration, Tax claim, dispute or administrative or other proceeding current or, to the best of its knowledge and belief, threatened, to which it is or may become a party, which:
 - (i) in any way questions its power or authority to enter into or perform its obligations under this Deed Poll; or
 - (ii) would be reasonably likely to result in the occurrence of an Insolvency Event in relation to it or to have a Material Adverse Effect;
- (f) **(Authorisations):** each Authorisation:
 - (i) which is required in relation to the execution, delivery and performance by it of this Deed Poll and the transactions contemplated by this Deed Poll; or
 - (ii) which is required in relation to the validity and enforceability of this Deed Poll, has been obtained or effected, complied with and maintained;

- (g) **(copies of documents):** all copies of documents given by it or on its behalf to any Financier Representative are true copies which are accurate and complete in all material respects;
- (h) **(not a trustee):** it does not enter into this Deed Poll as trustee of any trust or hold any assets as the trustee of any trust;
- (i) **(immunity from suit):** it does not, and its assets do not, have immunity from the jurisdiction of a court or from legal process;
- (j) **(solvency):**
 - (i) it is able to pay its debts as they fall due and has not suspended making payment of its debts generally; and
 - (ii) no Insolvency Event has occurred and is continuing in relation to it or will occur as a result of it entering into this Deed Poll;
- (k) **(ranking of obligations):** its obligations under this Deed Poll (in all respects and at all times) rank at least equally in right and priority of payment with all its other unsecured and unsubordinated obligations (actual or contingent, present or future) except for obligations mandatorily preferred by law;
- (l) **(commercial benefit):** the entering into and performance by it of its obligations under this Deed Poll is for its commercial benefit and is in its commercial interests; and
- (m) **(own enquiries):** it has relied on its own investigations and enquiries regarding the transactions contemplated by the Finance Documents and has not relied on any information, advice or opinion given or offered by or on the Financier's behalf even if in answer to any enquiry by or for it.

4.2 Repetition of representations and warranties

The representations and warranties given under this Deed Poll are repeated in favour of each Financier with reference to the facts and circumstances then subsisting on each date on which any financial accommodation is made available or rolled over by that Financier under that Financier's Finance Documents.

5 Guarantee

5.1 Guarantee

The Guarantors jointly and severally, unconditionally and irrevocably guarantee to each Finance Party the payment of the Guaranteed Moneys due to each Finance Party.

5.2 Payment

- (a) If the Guaranteed Moneys are not paid when due, each Guarantor must immediately on demand from the relevant Financier Representative pay to that Financier Representative for the account of its Financiers the Guaranteed Moneys in the same manner and currency as the Guaranteed Moneys are required to be paid.
- (b) A demand under clause 5.2(a) may be made at any time and from time to time.

5.3 Securities for other money

Each Finance Party may apply any amounts received by it or recovered under any document or agreement which is a security for any of the Guaranteed Moneys and any other money in the manner it determines in its absolute discretion.

5.4 Amount of Guaranteed Moneys

- (a) This clause 5 applies to any amount which forms part of the Guaranteed Moneys from time to time.
- (b) The obligations of each Guarantor under this clause 5 extend to any increase in the Guaranteed Moneys as a result of:
 - (i) any amendment, supplement, renewal or replacement of any Finance Document to which any Finance Party and Transaction Party or Guarantor is a party; or
 - (ii) the occurrence of any other thing.
- (c) Clause 5.4(b):
 - (i) applies regardless of whether any Guarantor is aware of or consented to or is given notice of any amendment, supplement, renewal or replacement of any agreement to which any Finance Party and Transaction Party or Guarantor is a party or the occurrence of any other thing; and
 - (ii) does not limit the obligations of any Guarantor under this clause 5.

5.5 Proof by Finance Parties

In the event of the liquidation of a Transaction Party or Guarantor, each Guarantor irrevocably authorises each Finance Party to prove for all money which any Guarantor has paid or is or may be obliged to pay under any Finance Document, any other document or agreement or otherwise in respect of the Guaranteed Moneys.

5.6 Avoidance of payments

- (a) If any payment, conveyance, transfer or other transaction relating to or affecting the Guaranteed Moneys is:
 - (i) void, voidable or unenforceable in whole or in part; or
 - (ii) claimed to be void, voidable or unenforceable and that claim is upheld, conceded or compromised in whole or in part,the liability of each Guarantor under this clause 5 and any Power is the same as if:
 - (iii) that payment, conveyance, transfer or transaction (or the void, voidable or unenforceable part of it); and
 - (iv) any release, settlement or discharge made in reliance on any thing referred to in clause 5.6(a)(iii),had not been made and each Guarantor must immediately take all action and sign all documents necessary or required by a Financier Representative to restore to each Finance Party the benefit of this clause 5.
- (b) Clause 5.6(a) applies whether or not any Finance Party knew, or ought to have known, of anything referred to in clause 5.6(a).

5.7 Indemnity for avoidance of Guaranteed Moneys

- (a) If any of the Guaranteed Moneys (or money which would have been Guaranteed Moneys if it had not been irrecoverable) are irrecoverable by any Finance Party from:
 - (i) any Transaction Party or Guarantor; or
 - (ii) a Guarantor on the footing of a guarantee,

the Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation:

- (iii) indemnify each Finance Party against any Loss suffered, paid or incurred by that Finance Party in relation to the non payment of that money; and
 - (iv) must pay to the relevant Financier Representative for the account of that Finance Party an amount equal to that Loss.
- (b) Clause 5.7(a) applies to the Guaranteed Moneys (or money which would have been Guaranteed Moneys if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:
- (i) they are or may be irrecoverable because of any event described in clause 5.12;
 - (ii) they are or may be irrecoverable because of any other fact or circumstance;
 - (iii) the obligations or liabilities or any of them relating to that money are void or illegal or avoided or otherwise unenforceable; and
 - (iv) any matters relating to the Guaranteed Moneys are or should have been within the knowledge of any Finance Party.

5.8 No obligation to marshal

A Finance Party is not required to marshal or to enforce or apply under or appropriate, recover or exercise:

- (a) any Encumbrance, Guarantee or other document or agreement held, at any time, by or on behalf of that or any other Finance Party; or
- (b) any money or asset which that Finance Party, at any time, holds or is entitled to receive.

5.9 Non exercise of Guarantors' rights

A Guarantor must not exercise any rights it may have inconsistent with this clause 5.

5.10 Principal and independent obligation

- (a) This clause 5 is:
 - (i) a principal obligation and is not to be treated as ancillary or collateral to any other right or obligation; and
 - (ii) independent of and not in substitution for or affected by any other guarantee or security which any Finance Party may hold in respect of the Guaranteed Moneys or any obligations of any Transaction Party, Guarantor or any other person.
- (b) This clause 5 is enforceable against a Guarantor:
 - (i) whether or not any Finance Party has:
 - (A) made demand on any Transaction Party or Guarantor (other than any demand specifically required to be given, or notice required to be issued, to a Guarantor under clause 5.2 or any other provision of a Finance Document);
 - (B) given notice to any Transaction Party, Guarantor or any other person in respect of any thing; or
 - (C) taken any other steps against any Transaction Party, Guarantor or any other person;
 - (ii) whether or not any Guaranteed Moneys are then due and payable; and
 - (iii) despite the occurrence of any event described in clause 5.12.

5.11 Suspense account

Each Finance Party may:

- (a) appropriate at its discretion any money received or recovered in respect of the Guaranteed Moneys under this Deed Poll or otherwise, including money received or recovered by way of set-off or as a dividend in liquidation; and
- (b) refrain from applying the money in reduction of the Guaranteed Moneys, and claim against any person (including by proving in any liquidation) in respect of the full amount of the Guaranteed Moneys disregarding the money received or recovered.

5.12 Unconditional nature of obligations

- (a) This clause 5 and the obligations of each Guarantor under the Finance Documents are not released or discharged or otherwise affected by anything which but for this provision might have that effect, including:
 - (i) the grant to any Transaction Party, Guarantor or any other person of any time, waiver, covenant not to sue or other indulgence;
 - (ii) the release (including a release as part of any novation) or discharge of any Transaction Party, Guarantor or any other person;
 - (iii) the cessation of the obligations, in whole or in part, of any Transaction Party, Guarantor or any other person under any Finance Document or any other document or agreement;
 - (iv) the liquidation of any Transaction Party, Guarantor or any other person;
 - (v) any arrangement, composition or compromise entered into by any Finance Party, any Transaction Party, Guarantor or any other person;
 - (vi) any Finance Document or any other document or agreement being in whole or in part illegal, void, voidable, avoided, unenforceable or otherwise of limited force or effect;
 - (vii) any extinguishment, failure, loss, release, discharge, abandonment, impairment, compounding, composition or compromise, in whole or in part, of any Finance Document or any other document or agreement;
 - (viii) any alteration, amendment, variation, supplement, renewal or replacement of any Finance Document or any other document or agreement;
 - (ix) any moratorium or other suspension of any Power;
 - (x) any Finance Party exercising or enforcing, delaying or refraining from exercising or enforcing, or being not entitled or unable to exercise or enforce any Power;
 - (xi) any Finance Party obtaining a judgment against any Transaction Party, Guarantor or any other person for the payment of any of the Guaranteed Moneys;
 - (xii) any transaction, agreement or arrangement that may take place with any Finance Party, any Transaction Party, Guarantor or any other person;
 - (xiii) any payment to any Finance Party including any payment which at the payment date or at any time after the payment date is in whole or in part illegal, void, voidable, avoided or unenforceable;

- (xiv) any failure to give effective notice to any Transaction Party, Guarantor or any other person of any default under any Finance Document or any other document or agreement;
 - (xv) any legal limitation, disability or incapacity of any Transaction Party, Guarantor or of any other person;
 - (xvi) any breach of any Finance Document or any other document or agreement;
 - (xvii) the acceptance of the repudiation of, or termination of, any Finance Document or any other document or agreement;
 - (xviii) any Guaranteed Moneys being irrecoverable for any reason;
 - (xix) any disclaimer by any Transaction Party, Guarantor or any other person of any Finance Document or any other document or agreement;
 - (xx) any assignment, novation, assumption or transfer of, or other dealing with, any Powers or any other rights or obligations under any Finance Document or any other document or agreement;
 - (xxi) the opening of a new account of any Transaction Party or Guarantor with any Finance Party or any transaction on or relating to the new account;
 - (xxii) any prejudice (including material prejudice) to any person as a result of:
 - (A) any thing done or omitted by any Finance Party, any Transaction Party, any Guarantor or any other person;
 - (B) any failure or neglect by any Finance Party or any other person to recover the Guaranteed Moneys from any Transaction Party or Guarantor; or
 - (C) any other thing;
 - (xxiii) the receipt by any Finance Party of any dividend, distribution or other payment in respect of any liquidation;
 - (xxiv) the failure of any Transaction Party or other Guarantor or any other person who is intended to become a co-surety or co-indemnifier of that Guarantor to execute this agreement or any other document; or
 - (xxv) any other act, omission, matter or thing whether negligent or not.
- (b) Clause 5.12(a) applies irrespective of:
- (i) the consent or knowledge or lack of consent or knowledge, of any Finance Party, any Transaction Party, Guarantor or any other person of any event described in clause 5.12(a); or
 - (ii) any rule of law or equity to the contrary.

5.13 No competition

- (a) Until the Guaranteed Moneys have been fully paid and this clause 5 has been finally discharged, a Guarantor is not entitled to:
 - (i) be subrogated to any Finance Party;
 - (ii) claim or receive the benefit of:
 - (A) any Encumbrance, Guarantee or other document or agreement of which any Finance Party has the benefit;
 - (B) any moneys held by any Finance Party; or
 - (C) any Power;

- (iii) either directly or indirectly prove in, claim or receive the benefit of any distribution, dividend or payment arising out of or relating to the liquidation of any Transaction Party or Guarantor liable to pay the Guaranteed Moneys, except in accordance with clause 5.13(b);
 - (iv) make a claim or exercise or enforce any right, power or remedy by way of contribution against any Transaction Party or Guarantor liable to pay the Guaranteed Moneys; or
 - (v) raise any defence or counterclaim in reduction or discharge of its obligations under this clause 5.
- (b) If required by any Finance Party, a Guarantor must prove in any liquidation of any Transaction Party or Guarantor liable to pay the Guaranteed Moneys for all money owed to the Guarantor in accordance with the Finance Party's instructions.
- (c) All money recovered by a Guarantor in breach of this clause 5.13 from any liquidation or from any Transaction Party or Guarantor liable to pay the Guaranteed Moneys must be promptly paid to the Financier Representatives for the account of their Financiers and only if it does not create or take effect as a security interest for the purposes of the PPSA, until so paid must be received and held in trust by the Guarantor for the Finance Parties to the extent of the unsatisfied liability of the Guarantor under this clause 5.
- (d) A Guarantor must not do or seek, attempt or purport to do anything referred to in clause 5.13(a).

5.14 Continuing guarantee

This clause 5 is a continuing obligation of each Guarantor, despite:

- (a) any settlement of account; or
 - (b) the occurrence of any other thing,
- and remains in full force and effect until all the Guaranteed Moneys have been Finally Paid.

5.15 Variation

This clause 5 extends to cover the Finance Documents as amended, varied or replaced, whether with or without the consent of any one or more of the Guarantors, including any increase in the limit or maximum principal amount available under a Finance Document.

5.16 Judgments

A final judgment obtained against a relevant Transaction Party or Guarantor is conclusive as against each Guarantor.

5.17 Release of Guarantors

Upon each Guarantor becoming a Guarantor (as defined in the Common Terms Deed Poll) under the Common Terms Deed Poll, each Guarantor will cease to be a Guarantor under this Deed Poll and the Finance Parties will automatically release each Guarantor from all its obligations under this Deed Poll.

6 Interest on Overdue Amounts

6.1 Accrual

Except where the relevant Finance Document provides otherwise, interest accrues on each unpaid amount which is due and payable by a Guarantor under or in respect of this Deed Poll (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at the rate provided in clause 6.3.

6.2 Payment

Each Guarantor shall pay interest accrued under this clause on demand by the relevant Financier Representative and on the last Business Day of each calendar quarter. That interest is payable in the currency of the unpaid amount on which it accrues.

6.3 Rate

The rate applicable under this clause is the sum of 2% per annum plus the higher of:

- (a) the rate (if any) applicable to the amount immediately before the due date; and
- (b) the rate agreed in respect of overdue amounts in accordance with the terms of the relevant Finance Document.

Interest is calculated on the basis of a year of 365 days or, where the drawing is in another currency for which such calculation basis is market convention, 360 days.

7 GST

Clause 12.3 (*GST*) of the Common Terms Deed Poll applies to this Deed Poll.

8 Saving provisions

Clause 13 (*Savings provisions*) of the Common Terms Deed Poll applies to this Deed Poll as if references in that clause to a Transaction Party were references to a Guarantor.

9 Survival of Obligations

- (a) **(Representations and warranties)** Each representation or warranty in this Deed Poll survives the execution and delivery of this Deed Poll and the provision of financial accommodation.
- (b) **(Indemnity)** Each indemnity, reimbursement or similar obligation in this Deed Poll:
 - (i) is a continuing, separate and independent obligation, despite any settlement of account or the occurrence of any other thing and remains in full force and effect until the Guaranteed Moneys are fully and finally repaid;
 - (ii) is payable on demand; and
 - (iii) survives termination or discharge of the relevant Finance Document and repayment of financial accommodation. Where a party is obliged to indemnify another party against any loss, cost, charge, liability, expense, deficiency or other amount, it shall pay on demand from time to time the amount stated by the other party to be the amount indemnified against.

10 Assignments

- (a) A Guarantor may only assign or transfer any of its rights or obligations under this Deed Poll with the prior written consent of each Financier Representative.
- (b) A Finance Party may assign or transfer all or any of its rights under this Deed Poll in accordance with the provisions set out in a Finance Document as part of a corresponding dealing with its rights under the relevant Finance Document.

11 Notices

- (a) All notices, requests, demands, consents, approvals, agreements or other communications to or by a party to this Deed Poll must be in writing signed by an Officer of the sender (or in the case of an email message, sent from the email address of an Officer of the sender) and be delivered, received or left at the address, email address or fax number of the recipient shown in the Schedule or to any other address, or fax number or email address which it may have notified the sender.
- (b) Clauses 15.1(b) to (d) (*Notices*) of the Common Terms Deed Poll apply to this Deed Poll (together with necessary changes for context).

12 Governing Law and Jurisdiction

- (a) This Deed Poll is governed by the laws of New South Wales. To the extent permitted by law, so are all related matters, including any non contractual matters. Each Guarantor irrevocably accepts the non exclusive jurisdiction of courts with jurisdiction there.
- (b) Clauses 15.2(c) to (e) (*Governing law and jurisdiction*) of the Common Terms Deed Poll apply to this Deed Poll as if references in those clauses to a Transaction Party were references to a Guarantor.

13 General

Clauses 15.3 (*Prohibition and enforceability*) to 15.6 (*Cumulative rights*) (**inclusive**) and 16 (*Confidentiality*) of the Common Terms Deed Poll apply to this Deed Poll.

14 Counterparts

This Deed Poll may be executed in any number of counterparts, each executed by one or more parties. A party may do this by executing and electronically transmitting a copy to one or more others or their representative. All counterparts, taken together, constitute one instrument.

Schedule

Notice Details

Guarantors

1 Name of Guarantor	2 Place of incorporation	3 Address
NXE Australia Pty Limited ACN 625 190 990	Incorporated in Australia	Address: 5 Thomas Holt Drive, North Ryde NSW 2113 Attention: Chief General Counsel Email: general.counsel@Foxtel.com.au
Fox Sports Australia Pty Limited ACN 065 445 418	Incorporated in Australia	Address: Level 5, 2 Holt Street, Surry Hills NSW 2010 Attention: Company Secretary Facsimile: (02) 9288 3275
Binni Pty Limited ACN 004 092 648	Incorporated in Australia	Address: Level 5, 2 Holt Street, Surry Hills NSW 2010 Attention: Company Secretary Facsimile: (02) 9288 3275
Fox Sports Venues Pty Limited ACN 110 803 944	Incorporated in Australia	Address: Level 5, 2 Holt Street, Surry Hills NSW 2010 Attention: Company Secretary Facsimile: (02) 9288 3275
Sport by Numbers Pty Limited ACN 065 420 046	Incorporated in Australia	Address: Level 5, 2 Holt Street, Surry Hills NSW 2010 Attention: Company Secretary Facsimile: (02) 9288 3275
Fox Sports Streamco Pty Limited ACN 616 999 243	Incorporated in Australia	Address: Level 5, 2 Holt Street, Surry Hills NSW 2010 Attention: Company Secretary Facsimile: (02) 9288 3275

Each attorney executing this Deed Poll states that he or she has no notice of the revocation or suspension of his or her power of attorney.

Executed and delivered as a Deed Poll

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **NXE Australia Pty Limited:**

/s/ Stacey Lee Brown
Director Signature

STACEY LEE BROWN
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Fox Sports Australia Pty Limited:**

/s/ Ian Philip
Director Signature

Ian Philip
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Binni Pty Limited:**

/s/ Peter Campbell
Director Signature

Peter Campbell
Print Name

/s/ Lynette Ireland
Director/Secretary Signature

LYNETTE IRELAND
Print Name

/s/ Christina Allen
Director/Secretary Signature

Christina Allen
Print Name

/s/ Christina Allen
Director/Secretary Signature

Christina Allen
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Fox Sports Venues Pty Limited:**

/s/ Ian Philip
Director Signature

Ian Philip
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Sport by Numbers Pty Limited:**

/s/ Ian Philip
Director Signature

Ian Philip
Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Fox Sports Streamco Pty Limited:**

/s/ Peter Campbell
Director Signature

Peter Campbell
Print Name

/s/ Christina Allen
Director/Secretary Signature

Christina Allen
Print Name

/s/ Christina Allen
Director/Secretary Signature

Christina Allen
Print Name

/s/ Christina Allen
Director/Secretary Signature

Christina Allen
Print Name

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)
in its own capacity

as guaranteed by:

SKY CABLE PTY LIMITED
(ABN 14 069 799 640)

TELSTRA MEDIA PTY LIMITED
(ABN 72 069 279 027)

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)
in its capacity as agent for the Partners as a partnership
carrying on the business of the FOXTEL Partnership
and as agent for the FOXTEL Television Partnership

and

the **FOXTEL GROUP MEMBER GUARANTORS**

U.S.\$180,000,000

5.04% Series A Guaranteed Senior Secured Notes due 2014
5.83% Series B Guaranteed Senior Secured Notes due 2016
6.20% Series C Guaranteed Senior Secured Notes due 2019

NOTE AND GUARANTEE AGREEMENT

Dated as of September 24, 2009

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FOXTEL MANAGEMENT PTY LIMITED

5 Thomas Holt Drive
Sydney NSW 2113
Australia

SKY CABLE PTY LIMITED

Level 5, 2 Holt Street
Surry Hills NSW 2010
Australia

TELSTRA MEDIA PTY LIMITED

Level 9, 400 George Street
Sydney NSW 2113
Australia

FOXTEL MANAGEMENT PTY LIMITED

in its capacity as agent for the Partners as a partnership
carrying on the business of the FOXTEL Partnership
and as agent for the FOXTEL Television Partnership

5 Thomas Holt Drive
Sydney NSW 2113
Australia

5.04% Series A Guaranteed Senior Secured Notes due 2014
5.83% Series B Guaranteed Senior Secured Notes due 2016
6.20% Series C Guaranteed Senior Secured Notes due 2019

As of September 24, 2009

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 279 027) (“**Telstra Media**”) and, together with Sky Cable, each a “**Partner**” and collectively the “**Partners**”) and FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**” and, the Guarantor, together with the Company, collectively, the “**Obligor**”), agree with each of the purchasers whose names appear at the end hereof (each a “**Purchaser**” and collectively the “**Purchasers**”) as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale in three series of U.S.\$180,000,000 aggregate principal amount of its Guaranteed Senior Secured Notes, of which U.S.\$31,000,000 aggregate principal amount shall be its 5.04% Series A Guaranteed Senior Secured Notes due 2014 (the “**Series A Notes**”), U.S.\$74,000,000 aggregate principal amount shall be its 5.83% Series B Guaranteed Senior Secured Notes due 2016 (the “**Series B Notes**”) and U.S.\$75,000,000 aggregate principal amount shall be its 6.20% Series C Guaranteed Senior Secured Notes due 2019 (the “**Series C Notes**”) and, together with the Series A Notes and the Series B Notes, the “**Notes**”, such term to include any such notes issued in substitution therefor pursuant to Section 15). The Notes shall be substantially in the respective form set out in Exhibit 1-A, 1-B and 1-C. Certain capitalized and other terms used in this Agreement are defined in Schedule B; and references to a “Schedule” or an “Exhibit” are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Payment of the principal of, Make-Whole Amount (if any), Modified Make-Whole Amount (if any) and interest on the Notes and all other amounts owing hereunder shall be unconditionally guaranteed by (i) the Guarantor and the Partners as provided in Section 14 and (ii) the Member Guarantors as provided in their respective Member Guarantees.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the respective series and in the principal amount specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, at approximately 10:00 A.M., New York time, at a closing (the “**Closing**”) on September 24, 2009. At the Closing the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note for each series to be so purchased (or such greater number of Notes in denominations of at least U.S.\$100,000 as such Purchaser may request dated the date of the Closing and registered in such Purchaser’s name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds to The Bank of New York, New York, 1 Wall Street, New York, NY 10286, ABA No. 021000018, Swift Code: IRVTUS3N, For further credit to: Commonwealth Bank of

Australia, Swift Code: CTBAAU2S, Banking Operations, Sydney, For the credit of: FOXTEL Management Pty Limited, Account No.: 100611560USD115601. If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Obligor and the Partners in this Agreement and of the Member Guarantors in their respective Member Guarantees shall be correct when made and at the time of the Closing.

4.2. Performance; No Default.

The Obligor and the Partners shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds of the Notes as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. No Member (in the case of Section 10.1 or 10.5) or Partner (in the case of Section 10.5) shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10.1 or 10.5 had such Sections applied since such date.

4.3. Compliance Certificates.

(a) Officer's Certificate. The Obligor and each Partner shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 with respect to the Obligor and the Partners have been fulfilled.

(b) Secretary's or Director's Certificate. Each Transaction Party shall have delivered to such Purchaser a certificate of its Secretary or an Assistant Secretary or a Director or other appropriate person, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate, partnership or other organizational proceedings relating to the authorization, execution and delivery of (i) this Agreement and the Notes (in the case of the Company), (ii) this Agreement (in the case of the Guarantor and the Partners) and (iii) the respective Member Guarantees (in the case of each Member Guarantor).

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from (i) Sidley Austin, U.S. counsel for the Transaction Parties, and (ii) Allens Arthur Robinson, Australian counsel for the Transaction Parties, substantially in the respective forms set forth in Exhibits 4.4(a)(i) and 4.4(a)(ii) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Obligor and the Partners hereby instruct their counsel to deliver such opinions to the Purchasers) and (b) from Milbank, Tweed, Hadley & McCloy LLP, the Purchasers' U.S. counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5. Purchase Permitted By Applicable Law, Etc.

On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate from the Company certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6. Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

4.7. Payment of Special Counsel Fees.

Without limiting the provisions of Section 17.1, the Obligor shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4(b) to the extent reflected in a statement of such counsel rendered to the Company at least three Business Days prior to the Closing.

4.8. Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each series of Notes.

4.9. Changes in Corporate Structure.

(a) No Reporting Member shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

(b) The Group Structure Diagram shall be true and correct in all respects and shall not omit any material information or details.

4.10. Acceptance of Appointment to Receive Service of Process.

Such Purchaser shall have received evidence of the acceptance by National Registered Agents, Inc. of the appointment and designation provided for by Section 25.10(e) hereof and Section 5.03(e) of each Member Guarantee, in each case for the period from the date of this Agreement through September 24, 2020.

4.11. Funding Instructions.

At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (a) the name and address of the transferee bank, (b) such transferee bank's ABA number and (c) the account name and number into which the purchase price for the Notes is to be deposited.

4.12. Member Guarantors; Member Guarantees.

With respect to the Member Guarantors, such Purchaser shall have received:

- (a) a true and complete copy of a Member Guarantee duly executed and delivered by each Member Guarantor identified in Schedule 5.4, and each such Member Guarantee shall be in full force and effect; and
- (b) a certificate signed by a director or an appropriate officer of each Member Guarantor dated the date of Closing confirming that (i) such Member Guarantor is, and after giving its Member Guarantee will be, solvent and able to pay all of its debts as and when they become due and payable and (ii) such Member Guarantor is entering into its Member Guarantee for the commercial benefit of such Member Guarantor.

4.13. Documents required under the Security Trust Deed.

(a) Such Purchaser shall have executed and delivered to the Security Trustee an STD Accession Deed and shall have received evidence reasonably satisfactory to it confirming that the Security Trustee shall have received such STD Accession Deed.

(b) The Company shall have delivered written notice to the Security Trustee that (i) the borrowings by the Company under this Agreement and the Notes and all transactions related thereto (including without limitation the Member Guarantees) constitute a “Participating Finance Arrangement” under, and as defined in, the Security Trust Deed, (ii) this Agreement, the Notes and the Member Guarantees each constitutes a “Participating Finance Arrangement Document” under, and as defined in, the Security Trust Deed, and (iii) the Company is a “Borrower” under, and as defined in, the Security Trust Deed, and such Purchaser shall have received evidence reasonably satisfactory to it confirming that the Security Trustee shall have received such notice.

(c) Such Purchaser shall have received a copy of the duly and fully executed Security Trust Deed.

4.14. New Charges.

Such Purchaser shall have received copies of the duly and fully executed FOXTEL New Charge, FOXTEL Partnership New Charge and FOXTEL Television Partnership New Charge.

4.15. Proceedings and Documents.

All corporate and other organizational proceedings in connection with the transactions contemplated by the Finance Documents and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE OBLIGOR AND THE PARTNERS.

The Obligor represents and warrants to each Purchaser as set forth below, and each Partner represents and warrants in respect of itself to each Purchaser as set forth in Sections 5.1, 5.2, 5.6, 5.10, 5.16(b), 5.21(i), 5.22 and 5.25 below, as of the date of the Closing that:

5.1. Organization; Power and Authority.

The Obligor and each Partner is a corporation or partnership, as the case may be, duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation or partnership and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Obligor and each Partner has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement (in the case of the Obligor and the Partners) and the Notes (in the case of the Company) and to perform the provisions of the Finance Documents to which it is a party.

5.2. Authorization, Etc.

The Finance Documents to which the Obligor and each Partner each is a party have been duly authorized by all necessary corporate or partnership action on the part of the Obligor or such Partner, as the case may be, and such Finance Documents (other than the Notes) constitute, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Obligor or such Partner, as the case may be, enforceable against the Obligor or such Partner in accordance with its terms, except, in each case, as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. Disclosure.

The Obligor, through its agents, Commonwealth Australia Securities LLC and RBS Greenwich Capital, have delivered to each Purchaser a copy of a Private Placement Memorandum, dated August 2009 (the "**Memorandum**"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the FOXTEL Group. This Agreement, the Memorandum and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Obligor in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement, the Memorandum and such documents, certificates or other writings and financial statements delivered to each Purchaser being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Notwithstanding the foregoing, the Obligor does not make any representations or warranties with respect to any projections or forward looking statements contained in any of the Disclosure Documents, other than such projections and forward looking statements are based on information that the Obligor believes to be accurate and such projections and forward looking statements were calculated or arrived at in a manner that the Obligor believes to be reasonable. Except as disclosed in the Disclosure Documents, since June 30, 2009 there has been no change in the financial condition, operations, business, properties or prospects of the FOXTEL Group except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Obligor that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

5.4. Organization and Ownership.

(a) The Shareholders legally and beneficially own and control (directly or indirectly) 100% of the FOXTEL Group. All of the outstanding shares of capital stock or similar equity interests of each Member shown in Schedule 5.4 as being owned by the Partners and the Members have been validly issued, are fully paid and nonassessable and are owned by the Partners or a Member free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(b) All Members and Subsidiaries of Members are listed on the Group Structure Diagram. The Group Structure Diagram is true and correct in all material respects and does not omit any material information or details.

(c) Schedule 5.4 contains (except as noted therein) complete and correct lists of (i) each Member's Affiliates, other than Subsidiaries, (ii) each Transaction Party's directors and senior officers and (iii) the Member Guarantors.

(d) Each Member is a corporation, partnership or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation, partnership or other legal entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Member has the corporate, partnership or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(e) No Member is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate or partnership law or similar statutes) restricting the ability of such Member to pay dividends out of profits or make any other similar distributions of profits to any Member that owns outstanding shares of capital stock or similar equity interests of such Member.

5.5. Financial Statements; Material Liabilities.

The Obligor has delivered to each Purchaser copies of the financial statements listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) have been prepared in accordance with Relevant GAAP, where applicable for special purpose accounts, and give a true and fair view of the combined financial position of the FOXTEL Group as of the respective dates and for the respective periods specified in such Schedule (subject, in the case of any interim financial statements, to normal year-end adjustments). There are no Material liabilities of the FOXTEL Group or any Member that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6. Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Obligor and each Partner of each Finance Document to which it is a party will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of any Transaction Party under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, partnership agreement, memorandum and articles of association, regulations or by-laws or other organizational document, or any other agreement or instrument to which any Transaction Party or any other Member is bound or by which any Transaction Party or any other Member or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of

any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to any Transaction Party or any other Member or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to any Transaction Party or any other Member.

5.7. Governmental Authorizations, Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligor or either Partner of any Finance Document to which it is a party, including, without limitation, any thereof required in connection with the obtaining of Dollars to make payments under any Finance Document and the payment of such Dollars to Persons resident in the United States of America. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Australia of any Finance Document that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax, except for (i) stamping of each Security and registration of each Security, all of which stamping and registrations have been paid and made as of or prior to the date of this Agreement, and (ii) the notification to ASIC of the notice referred to in Section 4.13(b) on ASIC Form 311B within forty-five days after the date of Closing (as contemplated by Section 9.3).

5.8. Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligor, threatened against or affecting any Member or any property of any Member in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) No Member is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, but only to the extent applicable thereto, Environmental Laws or the USA PATRIOT Act) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9. Taxes.

Each Member has filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (or filings related thereto) (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the relevant Member has established adequate reserves in accordance with Relevant GAAP. The Obligor knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the FOXTEL Group and each Member in respect of Federal, state or other taxes for all fiscal periods are adequate.

No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of Australia or any political subdivision thereof will be incurred by the Obligor, either Partner or any holder of a Note as a result of the execution or delivery of this Agreement and the Notes and no deduction or withholding in respect of Taxes imposed by or for the account of Australia or, to the knowledge of the Obligor and each Partner, any other Taxing Jurisdiction, is required to be made from any payment by the Obligor or either Partner under the Finance Documents to which it is a party, except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority of Australia or any political subdivision thereof arising out of circumstances described in clauses (a) through (e), inclusive, of Section 13.

5.10. Title to Property; Leases.

Each Transaction Party and each other Member has good and sufficient title to its respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by any Transaction Party or any Member after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11. Licenses, Permits, Etc.

(a) Each Member owns or possesses all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others which could reasonably be expected to have a Material Adverse Effect.

(b) To the best knowledge of the Obligor, no product of any Member infringes in any material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the best knowledge of the Obligor, there is no violation by any Person of any right of any Member with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by any Member which could reasonably be expected to have a Material Adverse Effect.

5.12. Compliance with ERISA; Non-U.S. Plans.

(a) Neither the Obligor nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has, at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Code. Neither the Obligor nor any ERISA Affiliate is, or has ever been at any time within the past six years, a “party in interest” (as defined in section 3(14) of ERISA) or a “disqualified person” (as defined in section 4975 of the Code) with respect to any such plan.

(b) The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the relevant Member’s most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term “benefit liabilities” has the meaning specified in section 4001 of ERISA and the terms “current value” and “present value” have the meaning specified in section 3 of ERISA.

(c) No Member has incurred any Material obligation in connection with the termination of or withdrawal from any Non-U.S. Plan.

(d) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by any Member have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13. Private Offering by the Obligor and the Partners.

Neither the Obligor nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchasers and approximately 65 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Obligor nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

5.14. Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes to repay existing Indebtedness and for other general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Obligor in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). No Member owns any margin stock and no Member has any present intention to acquire any margin stock. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

5.15. Existing Indebtedness.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct summary list of outstanding Indebtedness of the FOXTEL Group as of August 31, 2009 (including a description of the obligors and obligees, principal amount outstanding, collateral therefor, if any, Guaranty thereof, if any, and whether such Indebtedness is Subordinated Debt), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the FOXTEL Group. No Member is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of such Member and no event or condition exists with respect to any Indebtedness of any Member that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, no Partner or Member has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.6.

(c) The Obligor is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Obligor, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Obligor, except as specifically indicated in Schedule 5.15.

5.16. Foreign Assets Control Regulations, Etc.

(a) Neither the sale of the Notes by the Company hereunder nor the Company's use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) No Transaction Party or any other Member (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (ii) knowingly engages in any dealings or transactions with any such Person. To the extent applicable thereto, each Member is in compliance, in all material respects, with the USA PATRIOT Act.

(c) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

5.17. Status under Certain United States Statutes.

(a) Neither the Company, the FOXTEL Partnership, the FOXTEL Television Partnership nor any Member Guarantor is required to register as an “investment company” under the Investment Company Act, either before or after giving effect to the offer and sale of the Notes with the benefit of the Member Guarantees and the application of the proceeds thereof and (b) no Member is subject to regulation under the United States Federal Power Act, as amended.

5.18. Environmental Matters.

(a) No Member has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against such Member or any of its real properties now or formerly owned, leased or operated by such Member or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) No Member has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(c) No Member has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(d) All buildings on all real properties now owned, leased or operated by any Member are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.19. Ranking of Obligations.

All liabilities of the Obligor and each Partner under the Finance Documents to which it is a party will, upon issuance of the Notes, rank (i) *pari passu* in right of payment and are secured equally and ratably with Indebtedness of the Obligor or such Partner, as the case may be, that has the benefit of Security over the Secured Property of the Obligor or such Partner, as the case may be, as set forth in the Security Trust Deed, and (ii) *pari passu* in right of payment with all other Indebtedness of the Obligor or such Partner, as the case may be, and senior to such Indebtedness to the extent of the Security over the Secured Property of the Obligor or such Partner, as the case may be.

5.20. Representations of Member Guarantors.

The representations and warranties of each Member Guarantor contained in its Member Guarantee are true and correct as of the date they are made and as of the date of Closing.

5.21. Not a Trustee.

No Transaction Party (i) enters into any Finance Document as the trustee of any trust or (ii) holds any assets as the trustee of any trust.

5.22. Immunity.

No Transaction Party nor any property of any Transaction Party has immunity from the jurisdiction of a court or from legal process.

5.23. Secured Property.

(a) The Secured Property includes all, or substantially all, of the assets of each Member.

(b) The Security granted by each Transaction Party is in full force and effect and is effective security over the Secured Property of such Transaction Party subject to such Security.

5.24. Status under the Security Trust Deed.

Under and pursuant to the Security Trust Deed:

(a) each of this Agreement, the Notes and the Member Guarantees constitutes a “Binding Transaction Document” and a “Participating Finance Arrangement Document”;

(b) each holder of a Note from time to time constitutes a “New Financier” and a “New Beneficiary”;

(c) the Company constitutes a “Borrower”; and

(d) the Obligor, each Partner and each Member Guarantor constitutes a “Transaction Party”.

5.25. Solvency, Etc.

The Obligor and each Partner is, and after giving effect to this Agreement will be, solvent and able to pay all of its debts as and when they become due and payable (which, for the avoidance of doubt, includes all contingent liabilities) and, in the case of contingent liabilities, after taking into account contributions from others. Entering into this Agreement is in the Obligor’s and each Partner’s best interests and for its commercial benefit.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1. Purchase for Investment.

Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only subject to the requirements of Section 15.2 and, in any case, if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that neither the Obligor nor the Partners are required to register the Notes.

6.2. Investment Company Act.

(a) Each Purchaser that is a U.S. Person severally represents that it is a Qualified Purchaser.

(b) Each Purchaser represents to and agrees with the Obligor and the Partners that it will not offer, sell, pledge or otherwise transfer any Note to any Person unless such Person delivers a QP Transfer Certificate to the Obligor, as set forth in Section 15.2.

6.3. Australian Matters, etc.

(a) Each Purchaser represents that it is not an Associate.

(b) Each Purchaser acknowledges that it has been advised by the Obligor that no prospectus or other disclosure document in relation to the Notes has been or will be lodged with ASIC or ASX Limited by or on behalf of the Obligor or the FOXTEL Group. Each Purchaser represents and agrees that it:

(1) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(2) has not distributed or published, and will not distribute or publish, the Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and (ii) such action complies with all applicable laws and regulations.

(c) Each Purchaser agrees that, in connection with the primary distribution of the Notes to occur at the Closing, it will not sell Notes (or an interest or right in respect of any Note) to (A) any Person who has been identified to such Purchaser in writing by the Obligor to be an Associate other than as permitted under section 128F(5) of the Australian Tax Act, or (B) any other Person if, at the time of such sale, the employees of the Purchaser aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by such an Associate other than as permitted under section 128F(5) of the Australian Tax Act.

(d) Each Purchaser represents that it is purchasing the Notes in connection with the carrying on of a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets.

7. INFORMATION AS TO THE FOXTEL GROUP.

7.1. Financial and Business Information.

The Obligor shall deliver to each holder of Notes that is an Institutional Investor:

(a) Interim Statements — promptly after the same are available and in any event within 30 Business Days after the end of each semiannual fiscal period in each fiscal year of the FOXTEL Group, copies of the unaudited management accounts of the FOXTEL Group (on an aggregated basis) for such semiannual fiscal period, setting forth in each case in comparative form the figures for the corresponding period in the previous fiscal year, all in reasonable detail, and certified by a Senior Financial Officer as giving a true and fair view of the financial position of the FOXTEL Group as at the end of such semiannual fiscal period and of the FOXTEL Group's financial performance for such period;

(b) Annual Statements — promptly after the same are available and in any event within 90 days after the end of each fiscal year of the FOXTEL Group, copies of an audited Financial Report of the FOXTEL Group (on an aggregated basis) for such year, setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with Relevant GAAP, where applicable for special purpose accounts, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such Financial Report gives a true and fair view of the financial position of the FOXTEL Group as at the end of such fiscal year and of the FOXTEL Group's financial performance for such fiscal year, and that the audit related to such Financial Report has been made in accordance with Australian Auditing Standards (as such term is used and defined in such accountants' opinion, and as the wording of such accountants' opinion may be updated or amended from time to time in accordance with industry practice and standards), where applicable for special purpose accounts;

(c) ASX, ASIC, SEC and Other Reports — promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice or proxy statement or similar document sent by the Obligor, either Partner or any Member to the FOXTEL Group's principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to any Member's public securities holders generally and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), each prospectus and all amendments thereto related to the FOXTEL Group or any Member and filed by the

Obligor, either Partner or any Member with the ASX Limited, ASIC, the New York Stock Exchange, the United States Securities Exchange Commission or any similar Governmental Authority, stock exchange or securities exchange and all press releases and other statements made available generally by the Obligor, either Partner or any Member to the public, in each case concerning developments that are Material;

(d) Notice of Default or Event of Default — promptly and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11 (f), a written notice specifying the nature and period of existence thereof and what action the Obligor and the Partners are taking or propose to take with respect thereto;

(e) Employee Benefit Matters — promptly and in any event within 30 days after receipt thereof, copies of any notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans, together with a description of the action, if any, that the Obligor proposes to take with respect thereto;

(f) Notices from Governmental Authority — promptly, and in any event within 30 days of receipt thereof, copies of any notice to any Member from any Governmental Authority (or any such notice to any Partner that has been provided to any Member) relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Requested Information — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of any Member or relating to the ability of the Obligor or the Partners to perform its respective obligations under the Finance Documents to which it is a party, as from time to time may be reasonably requested by any such holder of Notes, including information readily available to the Obligor or either Partner explaining the financial statements of the FOXTEL Group or any Reporting Member if such information has been requested by the SVO in order to assign or maintain a designation of the Notes; and

(h) Group Structure Diagram — an updated Group Structure Diagram at any time that the then current Group Structure Diagram becomes incorrect or misleading.

7.2. Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer of the Obligor setting forth:

(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Obligor and the Partners, as the case may be, were in compliance with the requirements of Sections 10.5, 10.7 and 10.8 during the

interim or annual period covered by the statements then being furnished (including with respect to each such Section the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections and the calculation of the amount, ratio or percentage then in existence); provided that, if none of the Obligor, the Partners or any Member, as the context requires, has been party to a Disposition during the relevant period covered by such certificate, then such certificate shall state such fact and information and calculations with respect to Section 10.5 shall not be included in such certificate; and

(b) Event of Default — a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the FOXTEL Group from the beginning of the interim or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Obligor or any Member to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Obligor shall have taken or proposes to take with respect thereto.

As provided in Section 24(c), on and from the Security Release Date, Subsection (a) above shall be deemed to be deleted and replaced in its entirety by the applicable provision set forth in Part (A) of Exhibit 24.

7.3. Visitation.

The Obligor and the Partners shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Obligor and/or the Partners (as applicable), to visit the principal executive office of the Obligor and each Partner, to discuss the affairs, finances and accounts of the Obligor, the Members and the Partners with the Obligor's and the Partners' officers and (with the consent of the Obligor, which consent will not be unreasonably withheld) the Obligor's independent public accountants, and (with the consent of the Obligor and the Partners, which consent will not be unreasonably withheld) to visit the other offices and properties of the Obligor, each Partner and each Member and to inspect any Secured Property, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default — if a Default or Event of Default then exists, at the expense of the Obligor to visit and inspect any of the offices or properties of the Obligor, the Partners or any Member (including any Secured Property), to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Obligor and the Partners authorize said accountants to discuss the affairs, finances and accounts of the Obligor, the Partners and the Members), all at such times and as often as may be requested.

7.4. Limitation on Disclosure Obligation.

Neither the Obligor nor any Partner shall be required to disclose the following information pursuant to Section 7.1(c), 7.1(f), 7.1(g) or 7.3:

(a) information that the Obligor or either Partner determines after consultation with counsel qualified to advise on such matters (which may be in-house counsel) that, notwithstanding the confidentiality requirements of Section 22, the Obligor or such Partner, as applicable, would be prohibited from disclosing by applicable law or regulations without making public disclosure thereof;

(b) information that the Obligor or either Partner determines after consultation with counsel qualified to advise on such matters (which may be in-house counsel) is legally privileged and the disclosure of which would waive such privilege to the detriment of the Obligor or either Partner; and

(b) information that, notwithstanding the confidentiality requirements of Section 22, the Obligor or either Partner is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Obligor or such Partner, as applicable, and not entered into in contemplation of this clause (b), provided that the Obligor and the Partners shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information and provided further that the Obligor or the applicable Partner, as the case may be, have received a written opinion of counsel (which may be in-house counsel) confirming that disclosure of such information without consent from such other contractual party would constitute a breach or would result in a substantial risk of breach of such agreement.

Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Obligor or the applicable Partner will provide such holder with a written opinion of counsel (which may be in-house counsel and which may be addressed to the Obligor or such Partner, as applicable) relied upon as to any requested information that the Obligor or the applicable Partner, as the case may be, is prohibited from disclosing to such holder under circumstances described in this Section 7.4.

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1. Maturity.

As provided therein, the entire unpaid principal balance of the Series A Notes, the Series B Notes, and the Series C Notes shall be due and payable on September 24, 2014, September 24, 2016, and September 24, 2019, respectively.

8.2. Optional Prepayment with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.6), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Prepayment for Tax Reasons.

If at any time as a result of a Change in Tax Law (as defined below) the Company, the Guarantor or either Partner (assuming, in the case of the Guarantor or such Partner, that the Guarantor or such Partner, as applicable, is required to make a payment pursuant to Section 14) is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes, the Company may give the holders of all affected Notes irrevocable written notice (each, a “**Tax Prepayment Notice**”) of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Company, the Guarantor or either Partner to make any Additional Payments and the amount thereof and stating that all of the affected Notes shall be prepaid on the date of such prepayment at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment plus an amount equal to the Modified Make-Whole Amount for each such Note, except in the case of an affected Note if the holder of such Note shall, by written notice given to the Company no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such Note (each, a “**Rejection Notice**”). Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Modified Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to each Note covered thereby that execution and delivery thereof by the holder of such Note shall operate as a permanent waiver of such holder’s right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note (but not of such holder’s right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the

Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Note. The Tax Prepayment Notice having been given as aforesaid to each holder of the affected Notes, the principal amount of such Notes together with interest accrued thereon to the date of such prepayment plus the Modified Make-Whole Amount shall become due and payable on such prepayment date, except in the case of Notes the holders of which shall timely give a Rejection Notice as aforesaid. Two Business Days prior to such prepayment, the Company shall deliver to each holder of a Note being so prepaid a certificate of a Senior Financial Officer specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Obligor and the Partners to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

The Company may not offer to prepay or prepay Notes pursuant to this Section 8.3 (a) if a Default or Event of Default then exists, (b) until the Obligor or the Partners, as the case may be, shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (c) if the obligation to make such Additional Payments directly results or resulted from actions taken by any Transaction Party or any other Member (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

For purposes of this Section 8.3: “**Additional Payments**” means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a “**Change in Tax Law**” means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of Australia or any political subdivision thereof after the date of the Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of the Closing, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Obligor or either Partner, as the case may be (which shall be evidenced by an Officer’s Certificate of the Obligor or such Partner and supported by a written opinion of counsel having recognized expertise in the field of taxation in the Taxing Jurisdiction (which may be in-house counsel), both of which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law), affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

8.4. Prepayments in Connection with a Change of Control.

If a Change of Control shall occur, the Company shall within five days thereafter give written notice thereof (a “**Change of Control Prepayment Notice**”) to each holder of Notes, which notice shall (i) refer specifically to this Section 8.4 and describe in reasonable detail such Change of Control and (ii) offer to prepay on a Business Day not less than 30 days and not more than 60 days after the date of such Change of Control Prepayment Notice (the “**Change of Control Prepayment Date**”) the Notes of such holder, at 100% of the principal amount thereof, together with interest accrued thereon to the Change of Control Prepayment Date, and specify the Change of Control Response Date (as defined below). Each holder of a Note shall notify the Company of such holder’s acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on a date at least ten days prior to the Change of Control Prepayment Date (such date ten days prior to the Change of Control Prepayment Date being the “**Change of Control Response Date**”). The Company shall prepay on the Change of Control Prepayment Date all of the Notes held by each holder that has accepted such offer in accordance with this Section 8.4 at a price in respect of each such Note held by such holder equal to 100% of the principal amount thereof, together with interest accrued thereon to the Change of Control Prepayment Date. The failure by a holder of any Note to respond to such offer in writing on or before the Change of Control Response Date shall be deemed to be a rejection of such offer.

8.5. Prepayments in Connection with Asset Dispositions.

If the Company is required to offer to prepay Notes in accordance with (and in the aggregate amount calculated pursuant to) Section 10.5(f), the Company will give prompt written notice thereof to the holders of all Notes then outstanding, which notice shall (i) refer specifically to this Section 8.5 and describe in reasonable detail the Disposition giving rise to such offer to prepay Notes, (ii) specify the principal amount of each Note held by such holder offered to be prepaid (if the Notes are offered to be prepaid in part, determined in accordance with Section 8.6, the “**Ratable Amount**”), (iii) specify a Business Day for such prepayment not less than 30 days and not more than 60 days after the date of such notice (the “**Disposition Prepayment Date**”) and specify the Disposition Response Date (as defined below) and (iv) offer to prepay on the Disposition Prepayment Date the outstanding principal amount of each Note (or, if the Notes are offered to be prepaid in part, the Ratable Amount of each Note), together with interest accrued thereon to the Disposition Prepayment Date (the “**Prepayment Amount**”). Each holder of a Note shall notify the Company of such holder’s acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on a date at least ten days prior to the Disposition Prepayment Date (such date ten days prior to the Disposition Prepayment Date being the “**Disposition Response Date**”). The Company shall prepay on the Disposition Prepayment Date the Prepayment Amount with respect to each Note held by the holders who have accepted such offer in accordance with this Section 8.5. The failure by a holder of any Note to respond to such offer in writing on or before the Disposition Response Date shall be deemed to be a rejection of such offer. If any holder of a Note rejects or is deemed to have rejected any

offer of prepayment with respect to such Note in accordance with this Section 8.5, then, for purposes of determining compliance with Section 10.5(f), the Company nevertheless shall be deemed to have made a prepayment of Indebtedness in an amount equal to the Ratable Amount with respect to such Note.

8.6. Allocation of Partial Prepayments and Offers of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.2 and in the case of each offer of partial prepayment of the Notes pursuant to Section 8.5, the Company shall prepay or offer to prepay, as the case may be, the same percentage of the unpaid principal amount of the Notes of each series, and the principal amount of the Notes of each series so to be prepaid or offered to be prepaid, as the case may be, shall be allocated among all of the Notes of such series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.7. Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date, and the applicable Make- Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make- Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.8. Purchase of Notes.

The Obligor will not, and the Obligor will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment or prepayment of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.9. Make-Whole Amount and Modified Make-Whole Amount.

The terms “**Make-Whole Amount**” and “**Modified Make-Whole Amount**” mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and the Modified Make-Whole Amount, the following terms have the following meanings:

“Applicable Percentage” in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3 means 1.00% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means 0.50% (50 basis points).

“Called Principal” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued, actively traded, on the run U.S. Treasury securities having a maturity equal to the remaining term of such Note as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the remaining term of such Note as of such Settlement Date. In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding sentence, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than the remaining term of such Note and (2) the actively traded U.S. Treasury security with the maturity closest to and less than the remaining term of such Note. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, 8.3 or 12.1.

“**Settlement Date**” means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Obligor covenants as set forth below and each Partner covenants in respect of itself as set forth in Sections 9.2 and 9.3 below, that so long as any of the Notes are outstanding:

9.1. Compliance with Law.

Without limiting Section 10.4, the Obligor will, and will cause each Member to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including without limitation (but only to the extent applicable thereto), ERISA, the USA PATRIOT Act and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. Insurance.

The Obligor and each Partner will, and the Obligor will cause each Member to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. Maintenance of Secured Property; Further Assurances; Actions with respect to Secured Property.

The Obligor and each Partner will, and the Obligor will cause each Member Guarantor to, do everything reasonably necessary to:

- (a) preserve and protect the value of its Secured Property;
- (b) keep its Secured Property in a good state of repair and in good working order and condition and allowing for wear and tear;

(c) protect and enforce (i) its title to any part of its Secured Property and (ii) the title of the Security Trustee as mortgagee of the Secured Property;

(d) without limiting the generality of clauses (a) through (c) above, (i) ensure that it is recorded in all applicable registers with any Governmental Authority as the owner or proprietor of the Intellectual Property, interests in real property, domain names and other assets owned by it in respect of which registration of an interest is necessary and (ii) comply with all Liens affecting its Secured Property and the obligations secured by those Liens;

(e) remedy every defect in its title to any part of its Secured Property;

(f) take or defend all legal proceedings to protect or recover its Secured Property;

(g) keep its Secured Property valid and subsisting and free from liability to forfeiture, cancellation, avoidance or loss;

(h) do anything that the Facility Agent or the Required Holders reasonably requests that (i) more satisfactorily charges or secures the priority of its Security, or secures to the Security Trustee its Secured Property in a manner consistent with any provision of any Finance Document or (ii) aids in the exercise of the proper enforcement of any security, in each of the foregoing cases including the execution of any document, the delivery of Title Documents or the execution and delivery of blank transfers;

(i) at the request of the Facility Agent or the Required Holders, (i) execute a legal or statutory mortgage in favor of the Security Trustee over any real property or leasehold interest acquired by it on or after the date of this Agreement in form and substance required by the Facility Agent or the Required Holders, provided that neither the Facility Agent nor the Required Holders can require an obligation which is more onerous than any obligation contained in any Finance Document and (ii) use its best endeavors to register any mortgage executed under the foregoing clause (i);

(j) deposit with the Security Trustee all Title Documents in respect of any of its Secured Property which is subject to a fixed charge created under its Security immediately on (i) its execution of its Security, (ii) acquisition of any asset which forms part of its Secured Property and is subject to the fixed charge created by its Security and

(iii) the floating charge which is created by its Security crystallising and fixing;

(k) ensure that its Security is registered and filed in all registers in all jurisdictions in which it must be registered and filed to ensure the enforceability, validity and priority of the Security against all persons and to be effective as a security;

(l) cause any caveat which is lodged in respect of its Secured Property, other than a caveat lodged by the Finance Parties (as defined in the Security Trust Deed), to be removed as soon as reasonably practicable but in any event within 20 Business Days after the date that it becomes aware of its existence; and

(m) other than the Partners in their personal capacity, ensure that if it enters into any Material New Agreement it will:

(i) ensure that the terms of such Material New Agreement are such that its interest in it can be assigned or charged by it in favor of the Security Trustee without the necessity for any consent; and

(ii) at the same time (A) grant security in favor of the "Finance Parties" (as defined in the Security Trust Deed) in respect of its rights under such Material New Agreement and (B) issue a notice of charge to each counterparty to such Material New Agreement.

Without limiting the generality of the foregoing, the Obligor will provide notice to ASIC of the notice referred to in Section 4.13(b) on ASIC Form 311B within forty- five days after the date of Closing and will promptly inform each holder of Notes that such notice has been provided.

9.4. Payment of Taxes.

The Obligor will, and will cause each Member to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Obligor or any Member, provided that neither the Obligor nor any Member need file any such return nor pay any such tax, assessment, charge or levy if (i) the amount, applicability or validity thereof is contested by the Obligor or such Member on a timely basis in good faith and in appropriate proceedings, and the Obligor or such Member has established adequate reserves therefor in accordance with Relevant GAAP on the books of the Obligor or such Member or (ii) the failure to file all such returns or the nonpayment of all such taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5. Corporate Existence, Etc.

(a) The Obligor will, and will cause each Member Guarantor to, at all times preserve and keep in full force and effect its respective corporate or other organizational existence.

(b) Neither the Obligor nor any Member Guarantor shall (i) transfer its jurisdiction of incorporation or (ii) enter into any scheme under which it ceases to exist or under which its assets or liabilities are vested in or assumed by another Person.

Notwithstanding the foregoing, nothing herein shall prohibit a restructuring, merger and/or consolidation of the FOXTEL Group, provided that the Company remains the obligor under the Notes and the assets and property transferred pursuant to such restructuring, merger and/or consolidation are transferred only between or among the Obligor and/or the Member Guarantors (any such restructuring, merger and/or consolidation, a "**Permitted Restructuring**").

9.6. Books and Records.

The Obligor will, and will cause each Reporting Member to, maintain proper books of record and account in conformity with Relevant GAAP and all applicable material requirements of any Governmental Authority having legal or regulatory jurisdiction over the Obligor or such Reporting Member, as the case may be.

9.7. Priority of Obligations.

The Obligor and each Partner will ensure that its payment obligations under the Finance Documents to which it is a party will at all times rank (i) *pari passu* in right of payment and are secured equally and ratably with Indebtedness of the Obligor or such Partner, as the case may be, that has the benefit of Security over the Secured Property of the Obligor or such Partner, as the case may be, as set forth in the Security Trust Deed and (ii) *pari passu* in right of payment with all other Indebtedness of the Obligor or such Partner, as the case may be, and senior to such Indebtedness to the extent of the Security over its respective Secured Property.

9.8. Member Guarantees; Release.

(a) The Obligor will ensure that each Member that (i) has outstanding a Guaranty with respect to any Facility Agreement (or is otherwise a co-obligor or jointly liable with respect to any Indebtedness outstanding under any Facility Agreement) or (ii) after the date of this Agreement becomes a Wholly-Owned Subsidiary of any one or more Members, will, within 30 days thereafter, become a Member Guarantor.

(b) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to execute and deliver a Member Guarantee to each holder of Notes and provide the following to each holder of Notes:

(i) a certificate signed by a director or an appropriate officer of such Member confirming that such Member is, and after giving the Member Guarantee will be, solvent and able to pay all of its debts as and when they become due and payable; and

(ii) an opinion in form and substance reasonably satisfactory to the Required Holders from legal counsel to such Member in the appropriate jurisdiction(s) confirming that (A) such Member Guarantee shall have been duly authorized and executed and (B) such Member Guarantee is enforceable in accordance with its terms (subject to any usual and customary exceptions) and covering such other matters incidental thereto as may be reasonably requested by the Required Holders.

(c) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to execute and deliver to the Security Trustee a Security in form and substance satisfactory to the Security Trustee (acting reasonably) to secure the Secured Moneys.

(d) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to duly stamp each relevant document referred to in this Section 9.8.

(e) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to provide to the Security Trustee all duly completed forms, notices and other documents required to register or file with the appropriate Governmental Authority each relevant document referred to in this Section 9.8.

(f) Except pursuant to a Permitted Restructuring whereby a Member Guarantor ceases to exist, no Member Guarantor may be released from its obligations under its Member Guarantee without the prior written consent of the Required Holders. Upon the effectiveness of any such consent to the release of any Member Guarantor, upon notice thereof by the Obligor to each holder of a Note, such Member Guarantor shall cease to be a Member Guarantor and shall be automatically released from its obligations under its Member Guarantee as of the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any holder of a Note or any other Person. Upon the release of any Member as a Member Guarantor, the holders of Notes shall take those actions reasonably requested by any Transaction Party or the Security Trustee necessary to release such Member from its obligations under each Security Document to which it is a party.

9.9. Intellectual Property.

The Obligor will, and will cause each Member Guarantor to, (i) own or have the right and license to use the Intellectual Property and (ii) maintain, preserve and protect the Intellectual Property.

9.10. Rating.

The Obligor will maintain at all times an issuer or long term senior (secured or unsecured) debt credit rating from Fitch, Moody's or S&P.

10. NEGATIVE COVENANTS.

The Obligor covenants as set forth below and each Partner covenants in respect of itself as set forth in Sections 10.4, 10.5 and 10.6 below, that so long as any of the Notes are outstanding:

10.1. Transactions with Affiliates.

The Obligor will not, and will not permit any Member Guarantor to, enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Obligor or any Member Guarantor), except pursuant to the reasonable requirements of the Obligor's or the applicable Member Guarantor's business, as the case may be, and upon fair and reasonable terms no less favorable to the Obligor or such Member Guarantor than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2. Merger, Consolidation, Etc.

The Obligor will not, and will not permit any Member Guarantor to, enter into any scheme of arrangement, merger or consolidation. Notwithstanding the foregoing, nothing herein shall prohibit a Permitted Restructuring.

10.3. Line of Business.

The Obligor will not, and will not permit any Member Guarantor to, engage in any business if, as a result, the general nature of the business in which the FOXTEL Group, taken as a whole, would then be engaged would be substantially changed from the general nature of the Business.

10.4. Terrorism Sanctions Regulations.

The Obligor and the Partners will not, and the Obligor will not permit any Member to, (a) become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (b) knowingly engage in any dealings or transactions with any such Person.

10.5. Sale of Assets.

Subject to Section 24, the Obligor and the Partners will not, and the Obligor will not permit any Member to, sell, transfer, or otherwise dispose of any Secured Property (collectively, a “**Disposition**”), except:

- (a) Dispositions constituting the creation of a Lien not prohibited under Section 10.6;
- (b) Dispositions to the Obligor or any Member Guarantor; provided, that, the relevant property or asset will at all times remain subject to a Security;
- (c) Dispositions of property or assets in exchange for other properties or assets of comparable value and utility;
- (d) Dispositions of worn out, obsolete or redundant property or assets;
- (e) Dispositions on arms length terms of property or assets not required for the efficient operation of the Business; and

(f) other Dispositions, provided that any such Disposition is for fair market value and (i) the aggregate book value of the Secured Property subject to all such Dispositions pursuant to this clause (f) during any fiscal year of the FOXTEL Group does not exceed 10% of Total Assets as at the end of the immediately preceding fiscal year of the FOXTEL Group (the “**Disposition Cap**”) or (ii) within 365 days after any such Disposition or portion thereof that would cause the Disposition Cap to be exceeded, the net after-tax proceeds of such Disposition (or relevant portion thereof, as the case may be) are used to (x) purchase productive assets for use by the Obligor or any Member Guarantor in the Business or (y) repay or prepay any Indebtedness of the Obligor or any Member Guarantor that is secured pursuant to the Security Documents; provided that, the Company has, on or prior to the application of any net after-tax proceeds to the repayment or prepayment of any Indebtedness pursuant to the foregoing clause (y), (1) offered to prepay the Notes with such net after-tax proceeds (in whole or, if the aggregate outstanding principal amount of the Notes at such time exceeds such net-after tax proceeds, in part) in accordance with Section 8.5 or (2) offered to prepay the Notes *pro rata* with all such Indebtedness in accordance with Section 8.5, whereby the aggregate principal amount of the Notes subject to such offer of prepayment shall be equal to the product of (A) the net after-tax proceeds being so applied and (B) a fraction, the numerator of which is the aggregate outstanding principal amount of the Notes at such time and the denominator of which is the aggregate outstanding principal amount of Indebtedness (including the Notes) receiving any repayment or prepayment (or offer thereof) pursuant to the foregoing clause (y); and provided further, that for purposes of this Section 10.5, “**net after-tax proceeds**” shall mean the gross proceeds from such Disposition net of any taxes, costs and expenses associated therewith.

Any Disposition of shares of stock of any Member shall, for purposes of this Section 10.5, be valued at an amount that bears the same proportion to the total assets of such Member as the number of such shares bears to the total number of shares of stock of such Member.

Upon the Disposition of Secured Property in accordance with this Section 10.5, subject to any requirements of this Section 10.5 that such Secured Property continue to be subject to a Security and further subject to there not existing at such time any Default or Event of Default, the holders of Notes consent to such Secured Property being released from each Security to which it is subject and shall take those actions (at no cost or expense to such holders) reasonably requested by any Transaction Party or the Security Trustee necessary to release such Secured Property from such Security.

As provided in Section 24(c), on and from the Security Release Date, this Section shall be deemed to be deleted and replaced in its entirety by the provision set forth in Part (B) of Exhibit 24.

10.6. Liens.

Subject to Section 24, the Obligor and the Partners will not, and the Obligor will not permit any Member Guarantor to, create, permit or suffer to exist any Lien over all or any property or assets (excluding, in the case of any Partner, any such property or assets that do not constitute Secured Property), whether now owned or hereafter acquired, of the Obligor, either Partner or any Member Guarantor, except for:

- (a) a Security;

(b) Liens in relation to Capital Leases over STUs and other similar technical equipment; provided, that the aggregate book value of the STUs and other similar technical equipment subject to such Capital Leases at any time does not exceed A\$175,000,000;

(c) Liens arising by operation of law in the ordinary course of its ordinary business securing (i) an obligation that is not yet due or (ii) if due but unpaid, Indebtedness which is being contested in good faith;

(d) Liens only securing Indebtedness where, before any such Lien is created, the Security Trustee receives (i) the benefit of a deed of priority granting first ranking priority to each Security and (ii) documents, evidence and opinions in connection with the Lien requested by it, each in a form and of substance satisfactory to the Security Trustee;

(e) Liens in relation to retention of title arrangements entered into in the ordinary course of its business for a period of not more than 120 days; and

(f) Liens securing Indebtedness which in aggregate does not exceed A\$25,000,000.

As provided in Section 24(c), on and from the Security Release Date, this Section shall be deemed to be deleted and replaced in its entirety by the provision set forth in Part (C) of Exhibit 24.

10.7. Interest Cover Ratio.

The Obligor will not permit as of the last day of any fiscal quarter of the FOXTEL Group the ratio of (a) EBITDA to (b) Interest Service, in each case for the twelve month period ending on such day, to be less than 3.50:1.

10.8. Total Debt to EBITDA Ratio.

The Obligor will not permit as of the last day of any fiscal quarter of the FOXTEL Group the ratio of (a) Total Debt on such day to (b) EBITDA for the twelve month period ending on such day, to be greater than 3.75:1.

10.9. Distributions.

The Obligor and the Partners (other than a Partner in its personal capacity) will not, and the Obligor will not permit any Member Guarantor to, make any Distribution at any time if a Default or an Event of Default is continuing at such time or would result from such Distribution.

11. EVENTS OF DEFAULT.

An “**Event of Default**” shall exist if any of the following conditions or events shall occur and be continuing:

(a) default shall be made in the payment of any principal or Make-Whole Amount or Modified Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) default shall be made in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) default shall be made by the Obligor or either Partner in the performance of or compliance with any term contained in Section 7.1(d) or Sections 10.5 through 10.9, inclusive; or

(d) default shall be made by the Obligor or either Partner in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Obligor or either Partner receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf of any Transaction Party or by any officer of Transaction Party in any Finance Document or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) any Transaction Party or any Member is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) any Transaction Party or any Member is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than (A) the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests or (B) as a result of a Change of Control or any Disposition requiring any purchase or repayment of Indebtedness (or offer therefor) pursuant to Section 8.4 or 8.5, provided that the Obligor is in compliance with the provisions of Section 8.4 or 8.5, as the case may be), (x) any Transaction Party or any Member has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment), or (y) one or more Persons have the right to require any Transaction Party or any Member so to purchase or repay such Indebtedness; or

(g) any Transaction Party (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, (iii) makes an assignment for the benefit of its creditors as a whole in connection with any bankruptcy, insolvency or reorganization, (iv) consents to the appointment of a custodian, receiver, controller, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, (v) is adjudicated as insolvent or to be liquidated or (vi) takes corporate or other organizational action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by any Transaction Party, a custodian, receiver, controller, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any Transaction Party, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, or any such petition shall be filed against any Transaction Party and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to any Transaction Party which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or (h), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or (h); or

(j) a final judgment or judgments for the payment of money aggregating in excess of A\$25,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of any Transaction Parties and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(k) the Obligor or any Member (i) establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Obligor or such Member thereunder, (ii) fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up or (iii) becomes subject to the imposition of a

financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (iii) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(l) the Security Trust Deed or any Security shall cease to be in full force and effect or any Person acting on behalf of any Transaction Party or any Member shall contest in any manner the validity, binding nature, enforceability or priority of the Security Trust Deed or any Security, except in any event in the case of any Security, as otherwise permitted pursuant to this Agreement and the other Finance Documents; or

(m) a Lien is enforced over any Secured Property for an amount exceeding A\$25,000,000; or

(n) (i) all or any material part of the Secured Property is compulsorily acquired by, or by order of, a Governmental Authority or under law, (ii) a Governmental Authority orders the sale, vesting or divesting of all or any material part of the Secured Property or (iii) a Governmental Authority takes a step for the purpose of any of the foregoing, in each case where the value of the Secured Property concerned exceeds A\$25,000,000; or

(o) any Member Guarantee shall cease to be in full force and effect or any Member Guarantor or any Person acting on behalf of any Member Guarantor shall contest in any manner the validity, binding nature or enforceability of any Member Guarantee.

As used in Section 11(k), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1. Acceleration.

(a) If an Event of Default with respect to any Transaction Party described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, without limitation, interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law) shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Obligor and each Partner acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder (including any rights that such holder may have under the Security Trust Deed, as set forth in Section 12.3) by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any other Finance Document, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. Enforcement of Security.

Any holder of Notes shall have the rights to enforce any Security only as set forth in the Security Trust Deed and not otherwise.

12.4. Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c) (but prior to enforcement being undertaken under any Finance Document), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount or Modified Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) no Transaction Party nor any other Person shall have paid any amounts that have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 19, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.5. No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof or by any other Finance Document shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Obligor under Section 17, the Obligor will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. TAX INDEMNIFICATION.

All payments whatsoever under the Finance Documents to which the Obligor or either Partner is a party will be made by the Obligor or such Partner, as the case may be, in lawful currency of the United States of America free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "Taxing Jurisdiction"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Obligor or either Partner under any Finance Document to which it is a party, the Obligor or such Partner, as the case may be, will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the relevant Finance Document after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of the relevant Finance Document before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Excluded Tax;

(b) with respect to a holder of any Note, any Tax that would not have been imposed but for any breach by such holder of any representation made or deemed to have been made by such holder pursuant to Section 6.3(a), 6.3(c) or 6.3(d);

(c) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the

Taxing Jurisdiction, other than the mere holding of the relevant Note (with the benefit of the guarantees of the Guarantor and the Partners hereunder) or the receipt of payments thereunder or in respect thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Obligor or either Partner, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of any Finance Documents are made to, the Taxing Jurisdiction imposing the relevant Tax;

(d) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Obligor or either Partner) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (d) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Obligor or either Partner no later than 45 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(e) any combination of clauses (a), (b), (c) and (d) above;

and provided further that in no event shall the Obligor or either Partner be obligated to pay such additional amounts to any holder of a Note (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that the Obligor or such Partner would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Obligor or such Partner shall have given timely notice of such law or interpretation to such holder.

By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (d) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Obligor or either Partner all such forms,

certificates, documents and returns provided to such holder by the Obligor or such Partner (collectively, together with instructions for completing the same, “**Forms**”) required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide the Obligor or either Partner with such information with respect to such holder as the Obligor or such Partner may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Obligor or the relevant Partner or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of the Obligor or either Partner (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

In connection with the transfer of any Note, the Obligor will furnish the transferee of such Note with copies of any Form then required pursuant to the preceding paragraph of this Section 13.

If any payment is made by the Obligor or either Partner to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Obligor or such Partner pursuant to this Section 13, then, if such holder has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Obligor or such Partner such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (d) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Obligor or the relevant Partner will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Obligor or such Partner of any Tax in respect of any amounts paid under any Finance Document the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Obligor or such Partner, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If the Obligor or either Partner is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Obligor or such Partner would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Obligor or such Partner will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Obligor or such Partner) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Obligor or either Partner makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Obligor or such Partner (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Obligor or such Partner, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Obligor and the Partners under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

14. GUARANTOR AND PARTNER GUARANTEE, LIMITED RECOURSE, CONSENTS, ETC.

14.1. Guarantee.

The Guarantor and each Partner hereby guarantees to each holder of any Note or Notes at any time outstanding (a) the prompt payment in full, in Dollars, when due (whether at stated maturity, by acceleration, by mandatory or optional prepayment or otherwise) of the principal of, Make-Whole Amount and Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount and Modified Make-Whole Amount, if any, and, to the extent permitted by applicable law, on any overdue interest and on payment of additional amounts described in Section 13) and all other amounts from time to time owing by the Company under this Agreement and the Notes (including, without limitation, costs, expenses and taxes in accordance with the terms hereof), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed hereunder, in each case strictly in accordance with the terms thereof (such payments and other obligations being herein collectively called the “**Guaranteed Obligations**”). The Guarantor and each Partner hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, the Guarantor and such Partner will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by mandatory or optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to the holder of any Note such amounts, to the extent lawful, as shall be sufficient to pay the costs and expenses of collection or of otherwise enforcing any of such holder’s rights under this Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Guarantor and the Partners under Sections 14.1 and 14.2 shall survive the transfer of any Note, and any obligations of the Guarantor and the Partners under Sections 14.1 and 14.2 with respect to which the underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive payment of such Note.

14.2. Obligations Unconditional.

(a) The obligations of the Guarantor and each Partner under Section 14.1 constitute a present and continuing guaranty of payment and not collectibility and are absolute, unconditional and irrevocable, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under this Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any Guaranty of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 14.2 that the obligations of the Guarantor and each Partner hereunder shall be absolute, unconditional and irrevocable under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantor and each Partner hereunder which shall remain absolute, unconditional and irrevocable as described above:

(1) any amendment or modification of any provision of this Agreement (other than Section 14.1 or 14.2), any Member Guarantee or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security or any additional guarantee or any release of any security or guarantee so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of this Agreement, the Notes or any Member Guarantee, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, this Agreement, the Notes or any other agreement;

(5) any transfer of any assets to or from the Company, including without limitation any transfer or purported transfer to the Company from any Person, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company with or into any Person, any change in the ownership of any shares of capital stock of the Company, or any change whatsoever in the objects, capital structure, constitution or business of the Company;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or any other Person of, any term of this Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, the Company or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of this Agreement, the Notes or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or any trustee or agent thereof, and other person providing a Guaranty of, or security for, any of the Guaranteed Obligations; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The Guarantor and each Partner hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any holder of a Note exhaust any right, power or remedy against the Company under this Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Person under any other Guaranty of, or security for, any of the Guaranteed Obligations.

(c) In the event that the Guarantor or either Partner shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, the Guarantor or such Partner, as applicable, shall not exercise any subrogation or other rights hereunder or under the Notes and the Guarantor or such Partner, as applicable, hereby waives all rights it may have to exercise any such subrogation or other rights, and all other remedies that it may have against the Company, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. Prior to the payment in full of the Guaranteed Obligations, if any amount shall be paid to the Guarantor or either Partner, as applicable, on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the holders of the Notes and shall forthwith be paid to such holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. The Guarantor and each Partner agrees that its obligations under this Section 14 shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any holder of a Note, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

(d) If an event permitting the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person (other than the Guarantor or either Partner as to itself) of a case or proceeding under a bankruptcy or insolvency law, the Guarantor and each Partner agrees that, for purposes of the guarantee in this Section 14 and the Guarantor's and each Partner's obligations under this Agreement, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the holders of the Notes had accelerated the same in accordance with the terms of this Agreement, and the Guarantor and each Partner shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amounts and any other amounts guaranteed hereunder without further notice or demand.

(e) The guarantee in Sections 14.1 and 14.2 is a continuing guarantee and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs.

14.3. Limited Recourse to the Partners.

(a) Notwithstanding Sections 14.1 and 14.2 above and any other provisions of the Finance Documents (other than Section 14.3(d) below) the obligation of each Partner to pay any amount under any Finance Document (whether present, future or prospective) is limited to the extent that the amount can be satisfied out of its Secured Property.

(b) Each party irrevocably and unconditionally releases all claims it may have against either Partner under or in connection with the Finance Documents except to the extent that such Partner is liable under Section 14.3(a).

(c) No party shall have any claim against or recourse to the directors, officers or employees of either Partner, by operation of law or otherwise. Such recourse is irrevocably waived.

(d) Nothing in Section 14.3(a) or 14.3(c) limits the liability of either Partner in respect of any loss, cost or expense suffered or incurred by any holder of a Note as a result of:

(i) the fraud or willful default of such Partner or any of its directors, officers or employees under or in connection with the Finance Documents; provided, that, the failure of any Partner to comply with an obligation to pay the Secured Moneys under the Finance Documents will not in itself constitute fraud or willful default of such Partner;

(ii) any breach of an undertaking given by such Partner in:

(A) Sections 9.3(h), 9.3(k), 10.4, 10.5, 10.6 of this Agreement;

(B) any Security to which such Partner is expressed to be a party (other than the undertaking contained in clause 4.2, clause 4.4 or clause 5.1(a)(2) of a Security where the underlying obligation is not referred to in paragraph (A) above);

(C) any Tripartite Agreement to which such Partner is individually expressed to be a party; or

(D) any Subordination Deed to which such Partner is individually expressed to be a party; or

(iii) the incorrectness or untruthfulness of any warranty or representation given by such Partner in:

(A) Sections 5.1, 5.2, 5.6, 5.10, 5.22, 5.25 or clause (i) of Section 5.21;

(B) any Security to which such Partner is expressed to be a party (other than the representation and warranty contained in clause 4.1 of any Security where the underlying representation and warranty is not referred to in paragraph (A) above);

(C) any Tripartite Agreement to which such Partner is individually expressed to be a party; or

(D) any Subordination Deed to which such Partner is individually expressed to be a party.

(e) Except to the extent that either Partner is liable under Section 14.3(d), a party may enforce its rights against such Partner arising from non payment of the Secured Moneys only to the extent that such rights can be enforced against the Secured Property of such Partner and no party may, in connection with the Secured Moneys:

(i) take any action against such Partner, its directors, officers or employees personally to recover any part of the Secured Moneys which cannot be satisfied out of the Secured Property of such Partner or obtain a judgment for the payment of money or damages by such Partner, its directors, officers or employees;

(ii) issue any demand under section 459E(1) of the Corporations Act (or any analogous provision under any other law) against such Partner;

(iii) apply for or prove in (except to the extent that such Partner is liable under Section 14.3(a)) the winding up of such Partner;

(iv) levy execution or take any action against any asset of such Partner (other than the Secured Property of the Partner) to recover any of the Secured Moneys; or

(v) apply for the appointment of a receiver to any of the assets of such Partner (other than the Secured Property of such Partner); or

(vi) take any proceedings for any of the above and each party waives its rights in respect of those actions, applications and proceedings.

(f) Despite anything in, or in connection with, the Finance Documents, each party hereto agrees that (i) claims under or in connection with the Finance Documents are not claims to which the Telstra Deed of Cross Guarantee applies in any way, and (ii) it may not claim or attempt to claim to have any rights under, or make any claim or seek to enforce any rights, in connection with the Telstra Deed of Cross Guarantee.

(g) For the avoidance of doubt, nothing in this Section 14.3 prevents or limits any party from obtaining a declaration concerning any of the Finance Documents, an injunction or other order restraining any breach of a Finance Document or otherwise in relation to the Secured Property of a Partner. This clause operates as a release and a covenant not to sue and may be pleaded in bar to any action brought in breach of it.

(h) No party in the exercise of any right, power, authority, discretion or remedy conferred on it by any Finance Document or any applicable law, including any voting rights under the Finance Documents, nor any receiver, receiver and manager, attorney, controller (as the term "controller" is defined in the Corporations Act, but as if the term "charge" used therein included any Security) or other Person appointed by any party under the Finance Documents (each of the foregoing, an "**Administrator**") has the power or authority to incur obligations binding on a Partner other than obligations the extent and enforcement of which are limited in the same manner as the extent and enforcement of a Partner's obligations under the Finance Documents are limited by this Section 14.3.

(i) No party may appoint any Administrator with the power or authority to incur obligations binding on a Partner unless (i) the authority of such Administrator is limited in accordance with this Section 14.3, and (ii) such Administrator executes an agreement acknowledging the limitation.

(j) This Section 14.3 shall apply despite any other provision in any document or any other thing and, in the event of any inconsistency between this Section 14.3 and another provision of a Finance Document, this Section 14.3 shall prevail.

14.4. Consent of Partners.

(a) Each Partner consents to the grant by the other Partner of the Security over all of the present and future right, title and interest of that Partner in the FOXTEL Partnership and the FOXTEL Television Partnership and the undertaking, assets and rights of the FOXTEL Partnership and the FOXTEL Television Partnership, including the right to receive any share of profits of the FOXTEL Partnership and the FOXTEL Television Partnership.

(b) The parties hereto acknowledge and agree that the other parties hereto are entitled to treat any discharge, receipt, waiver, consent, communication, agreement, act or other thing given or effected by the Obligor as having been given or effected for or on behalf of, and with the authority and consent of, the Partners.

15. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES; NOTICE UPON TRANSFER UNDER SECURITY TRUST DEED.

15.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

15.2. Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 20) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by (i) a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant beneficial name, any nominee name, address and other details for notices of each transferee of such Note or part thereof and (ii) a QP Transfer Certificate duly executed by each transferee of such Note) within ten Business Days thereafter the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1-A, 1- B or 1-C, as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than U.S.\$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of a series of the Notes, one Note of such series may be in a denomination of less than U.S.\$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have agreed to be bound by the provisions contained herein expressed to be, or that otherwise are, applicable to holders of Notes and to have made the representations set forth in Section 6, except with respect to Sections 6.3(a) and 6.3(d).

15.3. Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 20) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S.\$100,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

15.4. Notice upon Transfer under Security Trust Deed.

Upon any transfer, exchange or substitution of a Note or Notes as set forth in this Section 15, the transferor of such Note or Notes agrees promptly to notify the Security Trustee of such transfer, exchange or substitution pursuant to Section 8.5 of the Security Trust Deed, including the relevant beneficial name, any nominee name, address and other details for notices of each transferee of such Note or Notes.

16. PAYMENTS ON NOTES.

16.1. Place of Payment.

Subject to Section 16.2, payments of principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of JPMorgan Chase Bank, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

16.2. Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 16.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other

address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Obligor and the Partners made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its address as set forth in Section 20. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 15.2. The Company will afford the benefits of this Section 16.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 16.2.

17. EXPENSES, ETC.

17.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Obligor will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of any Finance Document (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under any Finance Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with any Finance Document, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Obligor, either Partner or any Member or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Notes or by any other Finance Document and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed U.S.\$3,300. The Obligor will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

17.2. Certain Taxes.

The Obligor agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of any Finance Document or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, any Finance Document, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Obligor pursuant to this Section 17, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Obligor or any Partner hereunder or by any Member Guarantor under any Member Guarantee.

17.3. Survival.

The obligations of the Obligor under this Section 17 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of any Finance Document, and the termination of this Agreement.

18. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Obligor or either Partner pursuant to this Agreement shall be deemed representations and warranties of the Obligor or such Partner, as the case may be, under this Agreement. Subject to the preceding sentence, this Agreement, the Notes and the other Finance Documents embody the entire agreement and understanding between each Purchaser, the Obligor and each Partner, and supersede all prior agreements and understandings relating to the subject matter hereof.

19. AMENDMENT AND WAIVER.

19.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Obligor, the Partners and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 23, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount or Modified Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend Section 8, 11(a), 11(b), 12, 13, 14, 19, 22 or 25.12.

19.2. Solicitation of Holders of Notes.

(a) Solicitation. The Obligor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Obligor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 19 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. No Transaction Party or any Member will directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any other Finance Document unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

19.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 19 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Obligor and the Partners without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Obligor and the holder of any Note or between either Partner and the holder of any Note nor any delay in exercising any rights hereunder or under any Note or under any Member Guarantee shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

19.4. Notes Held by any Transaction Party or Member, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by any Transaction Party or any Member or any Affiliate of any Transaction Party or any Member shall be deemed not to be outstanding.

20. NOTICES; ENGLISH LANGUAGE.

All notices and communications provided for hereunder shall, to the extent that the recipient has supplied an email address for receipt of such notices and communications, be by way of electronic mail. If any recipient has not supplied an email address for receipt of notices and communications provided for hereunder, notices and communications shall be provided by physical delivery, sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an air express delivery service (charges prepaid), or (b) by an air express delivery service (with charges prepaid).

All notices and communications provided for hereunder shall be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or nominee at the address (whether email or physical) specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address (whether email or physical) as such other holder shall have specified to the Company in writing,

(iii) if to the Company, to the Company at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Chief Financial Officer), or at such other address as the Company shall have specified to the holder of each Note in writing,

(iv) if to the Guarantor, to the Guarantor at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Chief Financial Officer), or at such other address as the Guarantor shall have specified to the holder of each Note in writing

(v) if to Sky Cable, to Sky Cable at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Company Secretary), or at such other address as Sky Cable shall have specified to the holder of each Note in writing,

(vi) if to Telstra Media, to Telstra Media at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Head of Media), or at such other address as Telstra Media shall have specified to the holder of each Note in writing; and

(vii) if to the Security Trustee, to the Security Trustee at its address (whether email or physical) set forth in the Security Trust Deed (in the case of physical delivery, to the attention of the Person specified in the Security Trust Deed), or at such other address as the Security Trustee shall have specified to the holder of each Note in writing.

Notices under this Section 20 will be deemed given only when actually received. All notices related to any Default, Event of Default, acceleration or prepayment shall, in addition to delivery by email (if applicable), be sent by physical delivery as set forth above.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement or any Member Guarantee shall be in English or accompanied by an English translation thereof.

21. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Obligor and the Partners agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 21 shall not prohibit the Obligor, either Partner or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

22. CONFIDENTIAL INFORMATION.

For the purposes of this Section 22, "Confidential Information" means information delivered to any Purchaser by or on behalf of any Transaction Party or any Member in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of such Transaction Party or such Member, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by any Transaction Party or any Member or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 22, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 22), (v) any Person from which it offers to purchase any security of the Obligor or either Partner (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 22), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such

delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 22 as though it were a party to this Agreement. On reasonable request by the Obligor or either Partner in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Obligor and the Partners embodying the provisions of this Section 22.

23. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 23), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 23), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

24. RELEASE OF SECURITY.

(a) The Obligor shall provide each holder of Notes written notice of any release of the Secured Property from the Security in accordance with the Security Trust Deed which results in the book value of the assets and property of the FOXTEL Group not subject to any Security being greater than 50% of Total Assets at such time (the "**Security Release**") not less than five Business Days prior to the effective date of such release (the "**Security Release Date**"). Such notice shall specify the anticipated Security Release Date and shall describe any Release Consideration paid or payable in connection with the Security Release.

(b) If the Obligor or any Member shall pay any financial consideration (whether by way of fee, premium, rate increase, prepayment or otherwise) to or for the account of any "Beneficiary" under and as defined in the Security Trust Deed as inducement for the consent of such "Beneficiary" to the Security Release ("**Release Consideration**"), then the Obligor shall concurrently pay the holders of Notes equivalent Release Consideration.

(c) From and after the later of the Security Release Date and the date on which the Obligor has paid all of the holders of Notes any consideration required to be paid pursuant to Section 24(b), Sections 7.2(a), 10.5 and 10.6 hereof shall be deemed to be deleted and of no force and effect and shall be replaced in their entirety by the provisions labeled (A), (B) and (C), respectively, in Exhibit 24. All other provisions of this Agreement shall remain unchanged and in full force and effect after such date. For purposes of Sections 10.5 and 10.6 (as so replaced), any Indebtedness or Liens of the Obligor or the Members outstanding on the Security Release Date shall be deemed to have been incurred thereby on such date (other than Indebtedness that would otherwise be permitted under the new Section 10.6(a)(iv)).

(d) At any time that all of the Secured Property is released from the Security in accordance with the Security Trust Deed and this Section 24, the holders of Notes shall take those actions reasonably requested by any Transaction Party or the Security Trustee necessary to release such Secured Property from such Security and to release each Transaction Party from the Security Documents to which it is a party. Thereafter, upon the request of any holder of a Note, the Obligor or either Partner, the Obligor, the Partners and the holders of Notes shall enter into any additional agreement or amendment to this Agreement reasonably requested by such holder or Obligor to (i) evidence or otherwise memorialize any of the actions contemplated pursuant to this Section 24 and (ii) amend this Agreement to make necessary consequential changes and to remove all references to the Security, the Secured Documents and all related terms and provisions.

(e) From and after the Security Release Date (unless the context clearly indicates otherwise), all references in this Agreement to Sections 7.2 (a), 10.5 and 10.6 shall be deemed to refer to such Sections as replaced pursuant to this Section 24.

25. MISCELLANEOUS.

25.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

25.2. Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8 that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or Modified Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

25.3. Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with Relevant GAAP. Except as otherwise specifically provided herein, all computations made pursuant to this Agreement shall be made in accordance with Relevant GAAP, and all financial statements shall be prepared in accordance with Relevant GAAP, where applicable for special purpose accounts.

(b) For purposes of determining compliance with the financial covenants contained in this Agreement, any election by an Obligor or a Partner to measure an item of Indebtedness using fair value (as permitted by International Accounting Standard 39 or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

25.4. Consent to Successor Security Trustee.

In the event the Security Trustee is terminated, by replacement, resignation, removal or otherwise, the holders of Notes irrevocably consent to the appointment of any of the following Persons as the successor Security Trustee under the Security Documents (each, a “**Pre-Approved Security Trustee**”): (i) Commonwealth Bank of Australia, (ii) Australia and New Zealand Banking Group Limited, (iii) National Australia Bank Limited, (iv) Westpac Banking Corporation or (v) any affiliate of any of the foregoing Persons. In furtherance of the foregoing, each holder of Notes, for consideration received, appoints the Company and each officer or director of the Company severally as its attorney, in its name and on its behalf, to do all things and execute, sign, seal and deliver (conditionally or unconditionally in the attorney’s discretion) all documents, deeds and instruments necessary or desirable for the appointment of any Pre-Approved Security Trustee as the successor Security Trustee under the Security Documents and to vest in such Pre-Approved Security Trustee all of the Trust Fund (as defined in the Security Trust Deed). The foregoing power may be delegated or a sub-power may be given, and any delegate or sub-attorney may be removed by the attorney appointing it. The holders of Notes authorize the Security Trustee and any other relevant Person to rely on this Section 25.4 as evidence of the foregoing consent. Without limiting the foregoing, the holders of Notes shall take those actions reasonably requested by any Transaction Party to further evidence the foregoing consent.

25.5. Change in Relevant GAAP.

If the Obligor notifies the holders of Notes that, in the Obligor’s reasonable opinion, or if the Required Holders notify the Obligor that, in the Required Holders’ reasonable opinion, as a result of changes in Relevant GAAP after the date of this Agreement (“**Subsequent Changes**”), any of the covenants contained in Sections 10.5, 10.6, 10.7 and 10.8, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Obligor than as at the date of this Agreement, the Obligor and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Obligor and the Required Holders so agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in Sections 10.5, 10.6, 10.7 and 10.8,

together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred (“**Static GAAP**”). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Obligor shall include relevant reconciliations in reasonable detail between Relevant GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period.

25.6. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

25.7. Construction, Etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

25.8. Ratification.

As a shareholder of any Member Guarantor, the Obligor and each Partner hereby ratifies and confirms the execution, delivery and performance by such Member Guarantor of its Member Guarantee and all documents, certificates and other agreements related thereto or contemplated thereby.

25.9. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

25.10. Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

25.11. Jurisdiction and Process; Waiver of Jury Trial.

(a) Each of the Obligor and each Partner irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, each of the Obligor and each Partner irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each of the Obligor and each Partner agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 25.11(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each of the Obligor and each Partner consents to process being served by or on behalf of any holder of a Note in any suit, action or proceeding of the nature referred to in Section 25.11(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 20, to National Registered Agents, Inc., at 875 Avenue of the Americas, Suite 501, New York, New York, 10001, as its agent for the purpose of accepting service of any process in the United States. Each of the Obligor and each Partner agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 25.11 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Obligor or either Partner in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each of the Obligor and each Partner hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT OR THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

25.12. Obligation to Make Payment in Dollars.

Any payment on account of an amount that is payable hereunder or under the Notes in Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Obligor or either Partner, shall constitute a discharge of the obligation of the Obligor or such Partner under this Agreement or the Notes, as the case may be, only to the extent of the amount of Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such holder, the Obligor and the Partners agree to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term “**London Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

25.13. Binding Transaction Documents.

The parties hereto agree that this Agreement, the Notes and the Member Guarantees are “Binding Transaction Documents” under, and as defined in, the Security Trust Deed and such parties further agree and acknowledge that each holder of Notes from time to time (including without limitation each such holder that becomes a holder by way of transfer, assignment, novation or other substitution) will automatically become bound as a Beneficiary and receive the benefits of a Beneficiary under, and as defined in, the Security Trust Deed on the same basis as if such holder were a party to the Security Trust Deed.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you, the Company, the Guarantor and the Partners.

Very truly yours,

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature
/s/ Kim Williams

Print Name

Executed in accordance with section 127 of the *Corporations
Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED**, in
its capacity as agent for the Partners as a partnership carrying
on the business of the FOXTEL Partnership and as agent for the
FOXTEL, Television Partnership:

Director Signature
/s/ Kim Williams

Print Name

Signature
/s/ Lynette Ireland

Print Name SIGNED BY-
LYNETTE IRELAND

Signature
/s/ Lynette Ireland

Print Name SIGNED BY-
LYNETTE IRELAND

Signature Page to
FOXTEL Note and Guarantee Agreement

Executed in accordance with section 127
of the *Corporations Act 2001* by **SKY**
CABLE PTY LIMITED:

Director Signature
/s/ Ian Philip

IAN PHILIP
Print Name

/s/ Peter Macourt
Director/Secretary Signature

PETER MACOURT
Print Name

Signature Page to
FOXTEL Note and Guarantee Agreement

Signed Sealed and Delivered for
TELSTRA MEDIA PTY LIMITED by
its attorney in the presence of:

/s/ Peter de Jong

Witness Signature

Print Name Peter de Jong

/s/ Ian Davis

Attorney Signature

Print Name Ian Davis

Signature Page to
FOXTEL Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Delaware Investment Advisers,
a series of Delaware Management Business Trust, Attorney in Fact

By: /s/ Frank G. LaTorraca
Name: Frank G. LaTorraca
Title: Vice President

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

ING LIFE INSURANCE AND ANNUITY COMPANY

By: ING Investment Management LLC, as Agent

By: /s/ Christopher P. Lyons

Name: Christopher P. Lyons

Title: Senior Vice President

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

**AMERICAN INVESTORS LIFE INSURANCE COMPANY
AVIVA LIFE AND ANNUITY COMPANY**

By: Aviva Investors North America, Inc., Its authorized attorney-in-fact

By: /s/ Steven J. Sweeney

Name: Steven J. Sweeney

Title: VP, Sr. PM-Private Fixed Income

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ David A. Barras

Name: David A. Barras

Title: Its Authorized Representative

**THE NORTHWESTERN MUTUAL LIFE INSURANCE
COMPANY FOR ITS GROUP ANNUITY
SEPARATE ACCOUNT**

By: /s/ David A. Barras

Name: David A. Barras

Title: Its Authorized Representative

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

C.M. LIFE INSURANCE COMPANY

By: Babson Capital Management LLC as Investment Adviser

By: /s/ Emeka Onukwugha

Name: Emeka Onukwugha

Title: Managing Director

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Babson Capital Management LLC as Investment Adviser

By: /s/ Emeka Onukwugha

Name: Emeka Onukwugha

Title: Managing Director

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

By: Provident Investment Management, LLC

Its: Agent

By: /s/ Ben Vance

Name: Ben Vance

Title: Managing Director

**UNUM LIFE INSURANCE COMPANY OF
AMERICA**

By: Provident Investment Management, LLC

Its: Agent

By: /s/ Ben Vance

Name: Ben Vance

Title: Managing Director

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Gwendolyn Foster
Name: GWENDOLYN FOSTER
Title: SENIOR DIRECTOR

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

JACKSON NATIONAL LIFE INSURANCE COMPANY

By: PPM America, Inc., as attorney in fact,
on behalf of Jackson National Life Insurance Company

By: /s/ Brian Mariczak
Name: Brian Mariczak,
Title: Vice President

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: CIGNA Investments, Inc. (authorized agent)

By: /s/ David M. Cass

Name: David M. Cass

Title: Managing Director

LIFE INSURANCE COMPANY OF NORTH AMERICA

By: CIGNA Investments, Inc. (authorized agent)

By: /s/ David M. Cass

Name: David M. Cass

Title: Managing Director

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Trinh Nguyen

Name: TRINH NGUYEN

Title: CORPORATE VICE PRESIDENT

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: New York Life Investment Management LLC, Its Investment Manager

By: /s/ Trinh Nguyen

Name: TRINH NGUYEN

Title: DIRECTOR

FOXTEL – Note and Guarantee Agreement

**MINNESOTA LIFE INSURANCE COMPANY
UNITED INSURANCE COMPANY OF AMERICA
THE LAFAYETTE LIFE INSURANCE COMPANY**

By: Advantus Capital Management, Inc.

By: /s/ Kathleen H. Parker

Name: Kathleen H. Parker

Title: Vice President

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Cathy Schwartz

Name: Cathy Schwartz

Title: Assistant Vice President

By: /s/ Diane W. Dales

Name: Diane W. Dales

Title: Assistant Secretary

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

CUNA MUTUAL INSURANCE SOCIETY

By: MEMBERS Capital Advisors, Inc. acting as
Investment Advisor

By: /s/ Allen R. Cantrell
Name: Allen R. Cantrell
Title: Director, Private Placements

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY

By: /s/ David Divine

Name: David Divine

Title: Portfolio Manager

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By: /s/ Jed R. Martin

Name: Jed R. Martin

Title: Vice President, Private Placements

OHIO NATIONAL LIFE ASSURANCE CORPORATION

By: /s/ Jed R. Martin

Name: Jed R. Martin

Title: Vice President, Private Placements

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

**PROASSURANCE CASUALTY COMPANY
PROASSURANCE INDEMNITY COMPANY, INC.**

By: Prime Advisors, Inc., Attorney-in-Fact

By: /s/ Scott Sell

Name: Scott Sell

Title: Vice President

FOXTEL – Note and Guarantee Agreement

This Agreement is hereby accepted
and agreed to as of the date thereof.

PRIMERICA LIFE INSURANCE COMPANY

By: Conning Asset Management Company
as Investment Manager

By: /s/ John H. DeMallie
Name: John H. DeMallie
Title: Director

SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA

By: Conning Asset Management Company,
as Investment Manager

By: /s/ John H. DeMallie
Name: John H. DeMallie
Title: Director

FOXTEL – Note and Guarantee Agreement

INFORMATION RELATING TO PURCHASERS

Attached.

INFORMATION RELATING TO PURCHASERS

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>	<u>Custody Acct #</u>
THE LINCOLN NATIONAL LIFE	B-1	U.S.\$6,000,000	215736
INSURANCE COMPANY	C-1	U.S.\$6,000,000	215733
	C-2	U.S.\$7,000,000	215715

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York Mellon
 One Wall Street, New York, NY 10286
 ABA #: 021000018
 BNF Account #: IOC566
 Attention: Private Placement P & I Dept
 Further Credit: The Lincoln National Life Insurance Company
 FFC Account #: *(insert The Bank of New York Mellon acct # listed above)*
 REF: PPN/CUSIP # / SECURITY DESC / PAYT REASON

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Lincoln Financial Group
 1300 South Clinton Street, 2H-17
 Fort Wayne, IN 46802
 Attn: K. Estep – Investment Accounting
 Investment Accounting Fax: 260-455-2622

with a copy to:

The Bank of New York Mellon
 P.O. Box 19266
 Newark, New Jersey 07195
 Attn: Private Placement P & I Dept
 Reference: Acct Name/ PPN/Cusip #

- (3) Address for all communications:

Delaware Investment Advisers
 2005 Market Street, Mail Stop 41-104
 Philadelphia, PA 19103
 Attn: Fixed Income Private Placements
 Private Placement Fax: 215-255-1654

(4) Physical Delivery of Notes:

The Bank of New York Mellon
Attn: Free Receive Department
Contact Person: Arnold Musella (Telephone 212-635-1917)
One Wall Street, 3rd Floor
New York, NY 10286
(in cover letter reference note amt, acct name, and bank acct #)

(5) Tax Identification No.: 35-0472300

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
ING LIFE INSURANCE AND ANNUITY COMPANY	A-1	U.S.\$10,000,000
	B-2	U.S.\$ 9,000,000

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York Mellon

ABA#: 021000018

Account: IOC 566/INST'L CUSTODY (for scheduled principal and interest payments), or
IOC 565/INST'L CUSTODY (for all payments other than scheduled principal and interest)

For further credit to: ILIAC/Acct. 216101

Reference: *[insert CUSIP]*

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Operations/Settlements
Fax: (770) 690-4886

- (3) Address for all other communications:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Private Placements
Fax: (770) 690-5057

- (4) Physical Delivery of Notes:

The Bank of New York Mellon
One Wall Street
Window A - 3rd Floor
New York, NY 10286

[The cover letter accompanying the Notes should set forth the name of the issuer, a description of the Notes (including the interest rate, maturity date and private placement number), and the name of each purchaser and its account number at The Bank of New York Mellon ILIAC/Acct. 216101.]

with a copy to:

Lindy Freitag
Email: Linda.Freitag@inginvestment.com

- (5) Tax Identification No.: 71-0294708

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
AVIVA LIFE AND ANNUITY COMPANY (Notes to be registered in the name of "MAC & CO.")	B-3	U.S.\$5,000,000

- (1) All payments by wire transfer of immediately available funds to:

Federal Reserve Bank of Boston
 ABA# 011001234
 DDA# 125261
 CC: 1253
 Custody Account Name: General Account Deferred IYM
 Custody Account Number: AVAF3010572

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

PREFERRED REMITTANCE: cash@avivainvestors.com

Aviva Life and Annuity Company
 c/o Aviva Investors North America, Inc.
 Attn.: Cash Management
 699 Walnut Street, Suite 1700
 Des Moines, IA 50309

- (3) Address for all other communications:

PREFERRED REMITTANCE: privateplacements@avivainvestors.com

Aviva Life and Annuity Company
 c/o Aviva Investors North America, Inc.
 Attn.: Private Placements
 699 Walnut Street, Suite 1800
 Des Moines, IA 50309
 Fax: (515) 283-3439

- (4) Physical Delivery of Notes:

Mellon Securities Trust Company
 One Wall Street
 3rd Floor – Receive Window C
 New York, NY 10286
 For Credit to: General Account Deferred IYM,
 A/C # AVAF3010572

with a copy to:

Melissa Linhart, Closing Specialist
 Email: melissa.linhart@avivainvestors.com

- (5) Tax Identification No.: 42-0175020 (Aviva Life and Annuity Company)
 25-1536944 (Mac & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
AVIVA LIFE AND ANNUITY COMPANY (Notes to be registered in the name of "HARE & CO.")	C-3	U.S.\$2,000,000

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York
 New York, NY
 ABA #021000018
 Credit A/C# GLA111566
 A/C Name: Institutional Custody Insurance Division
 Custody Account Name: ALA Custody
 Custody Account Number: 010040

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

PREFERRED REMITTANCE: cash@avivainvestors.com

Aviva Life and Annuity Company
 c/o Aviva Investors North America, Inc.
 Attn.: Cash Management
 699 Walnut Street, Suite 1700
 Des Moines, IA 50309

- (3) Address for all other communications:

PREFERRED REMITTANCE: privateplacements@avivainvestors.com

Aviva Life and Annuity Company
 c/o Aviva Investors North America, Inc.
 Attn.: Private Placements
 699 Walnut Street, Suite 1800
 Des Moines, IA 50309
 Fax: (515) 283-3439

- (4) Physical Delivery of Notes:

The Bank of New York
 One Wall Street, 3rd Floor
 Window A
 New York, NY 10286
 FAO: ALA Custody, A/C #010040

with a copy to:

Melissa Linhart, Closing Specialist
 Email: melissa.linhart@avivainvestors.com

- (5) Tax Identification No.: 42-0175020 (Aviva Life and Annuity Company)
 13-6062916 (Hare & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
AMERICAN INVESTORS LIFE INSURANCE COMPANY (Notes to be registered in the name of "HARE & CO.")	C-4	U.S.\$10,000,000

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York
New York, NY
ABA #021000018
Credit A/C# GLA111566
A/C Name: Institutional Custody Insurance Division
Custody Account Name: American Investors Life Insurance Co Annuity
Custody Account Number: 010048

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

PREFERRED REMITTANCE: cash@avivainvestors.com

American Investors Life Insurance Company
c/o Aviva Capital Management, Inc.
Attn: Cash Management
699 Walnut Street, Suite 1700
Des Moines, IA 50309

- (3) Address for all other communications:

PREFERRED REMITTANCE: privateplacements@avivainvestors.com

American Investors Life Insurance Company
c/o Aviva Capital Management, Inc.
Attn: Private Placements
699 Walnut Street, Suite 1800
Des Moines, IA 50309
Fax: (515) 283-3439

- (4) Physical Delivery of Notes:

The Bank of New York
One Wall Street, 3rd Floor
Window A
New York, NY 10286
FAO: American Investors Life Insurance Company, A/C #010048

with a copy to:

Melissa Linhart, Closing Specialist

Email: melissa.linhart@avivainvestors.com

- (5) Tax Identification No.: 48-0696320 (American Investors Life Insurance Company)
13-6062916 (Hare & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY	B-4	U.S.\$16,000,000

- (1) All payments by wire transfer of immediately available funds to:

US Bank
777 E. Wisconsin Avenue
Milwaukee, WI 53202
ABA # 075000022

For the account of:
Northwestern Mutual Life
Account No. 182380324521

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Treasury & Investment Operations Department
Facsimile: (414) 625-6998

- (3) Address for all other communications:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Securities Department
Facsimile: (414) 665-7124

- (4) Physical Delivery of Notes:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Matthew E. Gabrys

- (5) Tax Identification No.: 39-0509570

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MASSACHUSETTS MUTUAL LIFE	B-5	U.S.\$2,650,000
INSURANCE COMPANY	C-5	U.S.\$3,400,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.
New York, NY
ABA No. 021000089
For MassMutual Unified Traditional
Acct. Name: MassMutual BA 0033 TRAD Private ELBX
Account No. 30566056
Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street, Suite 200
PO Box 15189
Springfield, MA 01115-5189
Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street – Suite 2200
PO Box 15189
Springfield, MA 01115-5189
Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould
Counsel
Babson Capital Management LLC
1500 Main Street, Suite 2800
Springfield, MA 01115

- (5) Tax Identification No.: 04-1590850

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MASSACHUSETTS MUTUAL LIFE	B-6	U.S.\$ 250,000
INSURANCE COMPANY	C-6	U.S.\$ 750,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.
New York, NY
ABA No. 021000089
For MassMutual DI
Acct. Name: MassMutual BA 0038 DI Private ELBX
Account No. 30566064
Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street, Suite 200
PO Box 15189
Springfield, MA 01115-5189
Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street – Suite 2200
PO Box 15189
Springfield, MA 01115-5189
Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould
Counsel
Babson Capital Management LLC
1500 Main Street, Suite 2800
Springfield, MA 01115

- (5) Tax Identification No.: 04-1590850

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MASSACHUSETTS MUTUAL LIFE	B-7	U.S.\$1,850,000
INSURANCE COMPANY	C-7	U.S.\$2,450,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.

New York, NY

ABA No. 021000089

For MassMutual IFM Non-Traditional

Account No. 30510589

Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street, Suite 200

PO Box 15189

Springfield, MA 01115-5189

Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street – Suite 2200

PO Box 15189

Springfield, MA 01115-5189

Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould

Counsel

Babson Capital Management LLC

1500 Main Street, Suite 2800

Springfield, MA 01115

- (5) Tax Identification No.: 04-1590850

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MASSACHUSETTS MUTUAL LIFE	B-8	U.S.\$ 700,000
INSURANCE COMPANY	C-8	U.S.\$1,500,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.

New York, NY

ABA No. 021000089

For MassMutual Pension Management

Account No. 30510538

Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street, Suite 200

PO Box 15189

Springfield, MA 01115-5189

Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street – Suite 2200

PO Box 15189

Springfield, MA 01115-5189

Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould

Counsel

Babson Capital Management LLC

1500 Main Street, Suite 2800

Springfield, MA 01115

- (5) Tax Identification No.: 04-1590850

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	C-9	U.S.\$ 850,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.
New York, NY
ABA No. 021000089
For MassMutual Structured Settlement Fund
Account No. 30510634
Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street, Suite 200
PO Box 15189
Springfield, MA 01115-5189
Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street – Suite 2200
PO Box 15189
Springfield, MA 01115-5189
Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould
Counsel
Babson Capital Management LLC
1500 Main Street, Suite 2800
Springfield, MA 01115

- (5) Tax Identification No.: 04-1590850

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	B-9	U.S.\$ 250,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.
New York, NY
ABA No. 021000089
For MassMutual Long Term Care
Account No. 30510626

Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street, Suite 200
PO Box 15189
Springfield, MA 01115-5189
Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

Massachusetts Mutual Life Insurance Company
c/o Babson Capital Management LLC
1500 Main Street – Suite 2200
PO Box 15189
Springfield, MA 01115-5189
Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould
Counsel
Babson Capital Management LLC
1500 Main Street, Suite 2800
Springfield, MA 01115

- (5) Tax Identification No.: 04-1590850

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
C.M. LIFE INSURANCE COMPANY	B-10	U.S.\$ 800,000
	C-10	U.S.\$1,050,000

- (1) All payments by wire transfer of immediately available funds to:

Citibank, N.A.

New York, NY

ABA No. 021000089

For CM Life Segment 43 - Universal Life

Account No. 30510546

Re: Description of security, cusip, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of Babson Capital Management LLC at (413) 226-1754 or (413) 226-1803

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

C.M. Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street, Suite 200

PO Box 15189

Springfield, MA 01115-5189

Attention: Securities Custody and Collection Department

- (3) Address for all other communications:

C.M. Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street – Suite 2200

PO Box 15189

Springfield, MA 01115-5189

Attn: Securities Investment Division

- (4) Physical Delivery of Notes:

Andrew M.A. Gould

Counsel

Babson Capital Management LLC

1500 Main Street, Suite 2800

Springfield, MA 01115

- (5) Tax Identification No.: 06-1041383

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY (Notes to be registered in the name of "CUDD & CO.")	B-11	U.S.\$8,000,000

- (1) All payments by wire transfer of immediately available funds to:

CUDD & CO.
c/o JPMorgan Chase Bank
New York, NY
ABA No. 021 000 021
SSG Private Income Processing
A/C #900-9-000200
Custodial Account No. G06704

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

Provident Investment Management, LLC
Private Placements
One Fountain Square
Chattanooga, Tennessee 37402
Tel: (423) 294-1172
Fax: (423) 294-3351

- (3) Physical Delivery of Notes:

JP Morgan Chase Bank
4 New York Plaza
11th Floor – Transfer Dept.
New York, New York 10004
Account No.: G06704 (Provident Life and Accident Insurance Company)
Attention: John Bouquet / G06704
Telephone: (212) 623-2840

- (4) Tax Identification No.: 13-6022143 (Cudd & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
UNUM LIFE INSURANCE COMPANY OF AMERICA (Notes to be registered in the name of "CUDD & CO.")	B-12	U.S.\$8,500,000

- (1) All payments by wire transfer of immediately available funds to:

CUDD & CO.
c/o JPMorgan Chase Bank
New York, NY
ABA No. 021 000 021
SSG Private Income Processing
A/C #900-9-000200
Custodial Account No. G08287

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

Provident Investment Management, LLC
Private Placements
One Fountain Square
Chattanooga, Tennessee 37402
Tel: (423) 294-1172
Fax: (423) 294-3351

- (3) Physical Delivery of Notes:

JP Morgan Chase Bank
4 New York Plaza
11th Floor – Transfer Dept.
New York, New York 10004
Account No.: G08287 (Unum Life Insurance Company of America)
Attention: John Bouquet / G08287
Telephone: (212) 623-2840

- (4) Tax Identification No.: 13-6022143 (Cudd & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA	C-11	U.S.\$14,000,000

- (1) All payments by wire transfer of immediately available funds to:

JP Morgan Chase
 FED ABA #021000021
 Chase/NYC/CTR/BNF
 A/C 900-9-000200
 Reference A/C #G05978, Guardian Life, CUSIP # _____, [issuer name]

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

The Guardian Life Insurance Company of America
 7 Hanover Square
 New York, NY 10004-2616
 Attn: Gwen Foster
 Investment Department 20-D
 FAX # (212) 919-2658/2656
 Email: gwen.foster@glic.com

- (3) Physical Delivery of Notes:

JP Morgan Chase
 4 New York Plaza – Ground Floor Receive Window
 New York, NY 10004
 Reference A/C #G05978, Guardian Life

- (4) Tax Identification No.: 13-5123390

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
JACKSON NATIONAL LIFE INSURANCE COMPANY	C-12	U.S.\$6,000,000

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York
 ABA # 021-000-018
 BNF Account #: IOC566
 FBO: JNL A/C # 187242
 Ref: CUSIP / PPN, Description, and Breakdown (P&I)

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Jackson National Life Insurance Company
 C/O The Bank of New York
 Attn: P&I Department
 P. O. Box 19266
 Newark, New Jersey 07195
 Phone: (718) 315-3035, Fax: (718) 315-3076

- (3) Financial Information should be sent to:

PPM America, Inc.
 225 West Wacker Drive, Suite 1200
 Chicago, IL 60606-1228
 Attn: Private Placements – Brian Manczak
 Tel: (312) 634-7885
 Fax: (312) 634-0054

with a copy to:

Jackson National Life Insurance Company
 One Corporate Way
 Lansing, MI 48951
 Attn: Investment Accounting – Mark Stewart
 Tel: (517) 367-3190
 Fax: (517) 706-5503

- (4) Address for all other communications:

PPM America, Inc.
 225 West Wacker Drive, Suite 1200
 Chicago, IL 60606-1228
 Attn: Private Placements – Brian Manczak
 Tel: (312) 634-7885
 Fax: (312) 634-0054

with a copy to:

PPM America, Inc.
225 West Wacker Drive, Suite 1200
Chicago, IL 60606-1228
Attn: Craig Close
Tel: (312) 634-2502
Fax: (312) 634-0906

(5) Physical Delivery of Notes:

The Bank of New York
Special Processing – Window A
One Wall Street, 3rd Floor
New York, NY 10286
Ref: JNL – JNL ELI, A/C # 187242 (*be sure to include this reference*)

with copies to:

Brian Manczak
Fax: (312) 634-0054

Craig Close
Fax: (312) 634-0906

(6) Tax Identification No.: 38-1659835

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
JACKSON NATIONAL LIFE INSURANCE COMPANY	C-13	U.S.\$6,000,000

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York
 ABA # 021-000-018
 BNF Account #: IOC566
 FBO: JNL A/C # 187243
 Ref: CUSIP / PPN, Description, and Breakdown (P&I)

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Jackson National Life Insurance Company
 C/O The Bank of New York
 Attn: P&I Department
 P. O. Box 19266
 Newark, New Jersey 07195
 Phone: (718) 315-3035, Fax: (718) 315-3076

- (3) Financial Information should be sent to:

PPM America, Inc.
 225 West Wacker Drive, Suite 1200
 Chicago, IL 60606-1228
 Attn: Private Placements – Brian Manczak
 Tel: (312) 634-7885
 Fax: (312) 634-0054

with a copy to:

Jackson National Life Insurance Company
 One Corporate Way
 Lansing, MI 48951
 Attn: Investment Accounting – Mark Stewart
 Tel: (517) 367-3190
 Fax: (517) 706-5503

- (4) Address for all other communications:

PPM America, Inc.
 225 West Wacker Drive, Suite 1200
 Chicago, IL 60606-1228
 Attn: Private Placements – Brian Manczak
 Tel: (312) 634-7885
 Fax: (312) 634-0054

with a copy to:

PPM America, Inc.
225 West Wacker Drive, Suite 1200
Chicago, IL 60606-1228
Attn: Craig Close
Tel: (312) 634-2502
Fax: (312) 634-0906

(5) Physical Delivery of Notes:

The Bank of New York
Special Processing – Window A
One Wall Street, 3rd Floor
New York, NY 10286
Ref: JNL – JNL GIC, A/C # 187243 *(be sure to include this reference)*

with copies to:

Brian Manczak
Fax: (312) 634-0054

Craig Close
Fax: (312) 634-0906

(6) Tax Identification No.: 38-1659835

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
CONNECTICUT GENERAL LIFE INSURANCE COMPANY	B-13	U.S.\$1,000,000
(Notes to be registered in the name of "CIG & Co.")	B-14	U.S.\$1,000,000
	B-15	U.S.\$ 500,000
	B-16	U.S.\$1,000,000
	B-17	U.S.\$ 500,000
	C-14	U.S.\$2,000,000

- (1) All payments by wire transfer of immediately available funds to:

J.P. Morgan Chase Bank

BNF=CIGNA Private Placements/AC=9009001802

ABA#021000021

OBI=name of company; description of security; interest rate, maturity date; PPN/CUSIP

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

CIG & Co.

c/o CIGNA Investments, Inc.

Attention: Fixed Income Securities

Wilde Building, A5PRI

900 Cottage Grove Rd.

Bloomfield, Connecticut 06002

Fax: 860-226-8400

with a copy to:

J.P. Morgan Chase Bank

14201 Dallas Parkway, 13th Floor

Dallas, TX 75254

Attention: Jamshid Irshad, Mail Code TX1-J249

Phone: 469-477-2036

Fax: 469-477-1904

- (3) Address for all other communications:

CIG & Co.

c/o CIGNA Investments, Inc.

Attention: Fixed Income Securities

Wilde Building, A5PRI

900 Cottage Grove Rd.

Bloomfield, Connecticut 06002

Fax: 860-226-8400

- (4) Physical Delivery of Notes:

J.P. Morgan Chase

4 New York Plaza

New York, NY 10004

Attn: Brian Cavanaugh

with a copy to:

Kari Comfry

Email: Kari.Comfry@CIGNA.COM

- (5) Tax Identification No.: 13-3574027 (for CIG & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
LIFE INSURANCE COMPANY OF NORTH AMERICA	B-18	U.S.\$1,000,000
(Notes to be registered in the name of "CIG & Co.")	C-15	U.S.\$3,000,000

- (1) All payments by wire transfer of immediately available funds to:

J.P. Morgan Chase Bank

BNF=CIGNA Private Placements/AC=9009001802

ABA# 021000021

OBI=name of company; description of security; interest rate, maturity date; PPN/CUSIP

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

CIG & Co.

c/o CIGNA Investments, Inc.

Attention: Fixed Income Securities

Wilde Building, A5PRI

900 Cottage Grove Rd.

Bloomfield, Connecticut 06002

Fax: 860-226-8400

with a copy to:

J.P. Morgan Chase Bank

14201 Dallas Parkway, 13th Floor

Dallas, TX 75254

Attention: Jamshid Irshad, Mail Code TX1-J249

Phone: 469-477-2036

Fax: 469-477-1904

- (3) Address for all other communications:

CIG & Co.

c/o CIGNA Investments, Inc.

Attention: Fixed Income Securities

Wilde Building, A5PRI

900 Cottage Grove Rd.

Bloomfield, Connecticut 06002

Fax: 860-226-8400

- (4) Physical Delivery of Notes:

J.P. Morgan Chase Bank

4 New York Plaza

New York, NY 10004

Attn: Brian Cavanaugh

with a copy to:

Kari Comfry

Email: Kari.Comfry@CIGNA.COM

- (5) Tax Identification No.: 13-3574027 (for CIG & Co.)

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
NEW YORK LIFE INSURANCE COMPANY	A-2	U.S.\$ 500,000

- (1) All payments by wire transfer of immediately available funds to:

JPMorgan Chase Bank
New York, New York 10019
ABA No. 021-000-021
Credit: New York Life Insurance Company
General Account No. 008-9-00687

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments, written confirmation of such wire transfers and any audit confirmation:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management, Securities Operations (2nd Floor)
Fax #: (212) 447-4132

with a copy sent electronically to:

FIIGLibrary@nylim.com

- (3) Address for all other communications:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010
Attention: Fixed Income Investors Group, Private Finance (2nd Floor)
Fax #: (212) 447-4122

with a copy sent electronically to:

FIIGLibrary@nylim.com

and with a copy of any notices regarding defaults or Events of Default to:

Office of General Counsel
Investment Section, Room 1016
Fax #: (212) 576-8340

- (4) Physical Delivery of Notes:

Barbara Friedman
Office of the General Counsel
New York Life Investments
51 Madison Avenue
New York, NY 10010

- (5) Tax Identification No.: 13-5582869

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION	A-3	U.S.\$9,500,000

- (1) All payments by wire transfer of immediately available funds to:

JPMorgan Chase Bank
New York, New York 10019
ABA No. 021-000-021
Credit: New York Life Insurance and Annuity Corporation
General Account No. 323-8-47382

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments, written confirmation of such wire transfers and any audit confirmation:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management, Securities Operations (2nd Floor)
Fax #: (212) 447-4132

with a copy sent electronically to:

FIIGLibrary@nylim.com

- (3) Address for all other communications:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Fixed Income Investors Group, Private Finance (2nd Floor)
Fax #: (212) 447-4122

with a copy sent electronically to:

FIIGLibrary@nylim.com

and with a copy of any notices regarding defaults or Events of Default to:

Office of General Counsel
Investment Section, Room 1016
Fax #: (212) 576-8340

- (4) Physical Delivery of Notes:

Barbara Friedman
Office of the General Counsel
New York Life Investments
51 Madison Avenue
New York, NY 10010

- (5) Tax Identification No.: 13-3044743

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
MINNESOTA LIFE INSURANCE COMPANY	A-4	U.S.\$2,000,000
	B-19	U.S.\$2,000,000
	C-16	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

Mellon Bank, Pittsburgh, PA

ABA#: 011001234

DDA#: 048771

Account Name: Minnesota Life Insurance Company

Account #: ADF0106002

Cost Code: 1167

Ref: Issuer, Rate, Maturity, CUSIP/PPN, P&I Breakdown

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

Minnesota Life Insurance Company

400 Robert Street North

St. Paul, Minnesota 55101

Attention: Advantus Capital Management, Inc.

Fax No. (651) 223-5029

- (3) Physical Delivery of Notes:

Minnesota Life Insurance Company

400 Robert Street North

St. Paul, Minnesota 55101

Attention: Advantus Capital Management, Inc.

- (4) Tax Identification No.: 41-0417830

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
UNITED INSURANCE COMPANY OF AMERICA	B-20	U.S.\$2,500,000
(Notes to be registered in the name of "Hare & Co.")	C-17	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

The Bank of New York
 ABA # 021 000 018
 Credit A/C#: GLA111565
 A/C Name: Institutional Custody Insurance Division
 FFC: Custody Account # 367937
 Custody Name: United Insurance Company of America

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

United Insurance Company of America
 c/o Advantus Capital Management, Inc.
 400 Robert Street North
 St. Paul, MN 55101
 Attn: Client Administrator

- (3) Physical Delivery of Notes:

The Bank of New York
 One Wall Street, 3rd Floor, Window "A"
 New York, NY 10286
 Account Name: United Insurance Company of America (Advantus Capital Management)
 Account Number: 367937

- (4) Tax Identification No.: 36-1896670

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
THE LAFAYETTE LIFE INSURANCE COMPANY	B-21	U.S.\$ 500,000

- (1) All payments by wire transfer of immediately available funds to:

Bank One, Indiana
 SWIFT CODE: BONE US44
 ABA 074000010
 Account 631557105
 Beneficiary: Lafayette Life Insurance Company
 Ref: Issuer, Rate, Maturity, CUSIP/PPN, P&I Breakdown

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

The Lafayette Life Insurance Company
 c/o Advantus Capital Management, Inc.
 400 Robert Street North
 St. Paul, MN 55101
 Attn: Client Administrator

- (3) Physical Delivery of Notes:

The Lafayette Life Insurance Company
 Attn: Investment Department
 1905 Teal Road, PO Box 7007
 Lafayette, Indiana 47905
 Contact Name: Douglas E. Kelsey
 Phone Number: (765) 477-3356

- (4) Tax Identification No.: 35-0457540

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
PACIFIC LIFE INSURANCE COMPANY	A-5	U.S.\$5,000,000
	A-6	U.S.\$2,000,000

- (1) All payments by wire transfer of immediately available funds to:

Mellon Trust of New England
 ABA# 0110-0123-4
 DDA 125261
 Attn: MBS Income CC: 1253
 A/C Name: Pacific Life Insurance Co - General Account/PLCF1810132
 Regarding: *Security Description & PPN*

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Mellon Trust
 Attn: Pacific Life Accounting Team
 One Mellon Bank Center
 Room 0930
 Pittsburgh, PA 15259

with a copy to:

Pacific Life Insurance Company
 Attn: IMD – Cash Team
 700 Newport Center Drive
 Newport Beach, CA 92660-6397
 Fax# 949-718-5845

- (3) Address for all other communications:

Pacific Life Insurance Company
 Attn: IMD – Portfolio Management
 700 Newport Center Drive
 Newport Beach, CA 92660-6397
 Fax# 949-720-1963

- (4) Physical Delivery of Notes:

Mellon Securities Trust Company
 One Wall Street
 3rd Floor-Receive Window C
 New York, NY 10286
 Attn: Robert Ferraro
 Tel: (212) 635-1299
 A/C Name: Pacific Life Insurance Co - General Acct
 A/C#: PLCF1810132

- (5) Tax Identification No.: 95-1079000

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
CUNA MUTUAL INSURANCE SOCIETY (Notes to be registered in the name of "TURNKEYS & CO")	C-18	U.S.\$3,500,000

- (1) All payments by wire transfer of immediately available funds to:

ABA: 011000028
 Bank: State Street Bank
 Account Name: Cuna Mutual Insurance Society
 DDA #: 1044-851-2
 Reference Fund: ZT1E (Must be first 4 digits of reference section/Can include Nominee name here)
 Nominee Name: Turnkeys & Co

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Members Capital Advisors, Inc.
 Attn: Private Placements
 5910 Mineral Point Road
 Madison Wi 53705-4456
 Email: ds-privateplacements@cunamutual.com

- (3) Address for all communications (including with respect to payments and prepayments):

Members Capital Advisors, Inc.
 5910 Mineral Point Road
 Madison Wi 53705-4456
 Attn: Stuart Rossmiller, Director, Research, Fixed Income
 Phone: 608/231-8292
 Fax: 608/236-7601
 Emails: Stuart.Rossmiller@cunamutual.com, John.Britt@cunamutual.com and
 Al.Cantrell@cunamutual.com

- (4) Physical Delivery of Notes:

State Street Bank
 Dtc/New York Window
 Attn: Robert Mendez
 55 Water Street
 Plaza Level - 3rd Floor
 New York, Ny 10041

- (5) Tax Identification No.: 39-0230590

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY	B-22	U.S.\$2,000,000
	C-19	U.S.\$1,500,000

- (1) All payments by wire transfer of immediately available funds to:

State Street Bank and Trust Company
 Boston, MA 02101
 ABA #011000028

For further credit to: Southern Farm Bureau Life Insurance Company,
 DDA #59848127
 Account #EQ83

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

Southern Farm Bureau Life Insurance Company
 1401 Livingston Lane
 Jackson, MS 39213
 Attn: Investment Department / David Divine

- (3) Address for all other communications:

Investment Department
 Southern Farm Bureau Life Insurance Company
 P. O. Box 78
 Jackson, MS 39205
 Attn: Investment Department / David Divine
 Tel: (601) 981-5332 extension 1010
 Fax: (601)-981-3605
 E-mail: ddivine@sfbli.com

or by overnight delivery to:

1401 Livingston Lane
 Jackson, MS 39213

- (4) Physical Delivery of Notes:

Southern Farm Bureau Life Insurance Company
 Attn: David Divine
 1401 Livingston Lane
 Jackson, MS 39213

- (5) Tax Identification No.: 64-0283583

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
THE OHIO NATIONAL LIFE INSURANCE COMPANY	B-23	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

U.S. Bank N.A. (ABA #042-000013)
 5th & Walnut Streets
 Cincinnati, OH 45202
 For credit to The Ohio National Life
 Insurance Company's Account No. 910-275-7

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

The Ohio National Life Insurance Company
 Post Office Box 237
 Cincinnati, OH 45201
 Attention: Investment Department
 Fax number: 513-794-4506

Street address:

The Ohio National Life Insurance Company
 One Financial Way
 Cincinnati, OH 45242
 Attention: Investment Department

- (3) Physical Delivery of Notes:

Jed R. Martin
 Vice President, Private Placements
 Ohio National Financial Services
 One Financial Way
 Cincinnati, OH 45242

- (4) Tax Identification No.: 31-0397080

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
OHIO NATIONAL LIFE ASSURANCE CORPORATION	C-20	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

U.S. Bank N.A. (ABA #042-000013)
 5th & Walnut Streets
 Cincinnati, OH 45202
 For credit to Ohio National Life
 Assurance Corporation's Account No. 865-215-8

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

Ohio National Life Assurance Corporation
 Post Office Box 237
 Cincinnati, OH 45201
 Attention: Investment Department
 Fax number: 513-794-4506

Street address:

Ohio National Life Assurance Corporation
 One Financial Way
 Cincinnati, OH 45242
 Attention: Investment Department

- (3) Physical Delivery of Notes:

Jed R. Martin
 Vice President, Private Placements
 Ohio National Financial Services
 One Financial Way
 Cincinnati, OH 45242

- (4) Tax Identification No.: 31-0962495

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
PROASSURANCE INDEMNITY COMPANY, INC.	A-7	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

US Bank, N.A.
 ABA #091000022
 Acct# 173103781832
 ITC South & East Depository Account
 60 Livingston Ave.
 St. Paul, MN 55107-2292
 ffc(obi): 1192102653/PRA Indemnity
 any additional pertinent information (cusip #, note name, P&I amts, etc.)
 Attn: Ann Smith, ann.smith2@usbank.com

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

US Bank Institutional Trust and Custody
 EX-AL-WWPH
 2204 Lakeshore Drive, Suite 302
 Birmingham, AL 35209
 Attention: Ann D. Smith, AVP/Account Manager
 Email: ann.smith2@usbank.com

with a copy to:

ProAssurance Corporation
 100 Brookwood Place, Suite 500
 Birmingham, Alabama 35209
 Attention: Larry Cochran, Director of Corporate Investments

with an additional copy to:

Prime Advisors, Inc.
 100 Northfield Drive, 4th Floor
 Windsor, CT 06095
 Attention: Lewis Leon, SVP/Investment Accounting

- (3) Address for all other communications:

Prime Advisors, Inc.
 Redmond Ridge Corporate Center
 22635 NE Marketplace Drive, Suite 160
 Redmond, WA 98053
 Attention: Scott Sell, Vice President

- (4) Physical Delivery of Notes:

US Bank Institutional Trust and Custody
 EX-AL-WWPH
 2204 Lakeshore Drive, Suite 302
 Birmingham, AL 35209
 Attention: Ann D. Smith, AVP/Account Manager

- (5) Tax Identification No.: 63-0720042

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
PROASSURANCE CASUALTY COMPANY	A-8	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

US Bank, N.A.
 ABA #091000022
 Acct# 173103781832
 ITC South & East Depository Account
 60 Livingston Ave.
 St. Paul, MN 55107-2292
 ffc(obi): 1192102911/PRA Casualty
 any additional pertinent information (cusip #, note name, P&I amts, etc.)
 Attn: Ann Smith, ann.smith2@usbank.com

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

US Bank Institutional Trust and Custody
 EX-AL-WWPH
 2204 Lakeshore Drive, Suite 302
 Birmingham, AL 35209
 Attention: Ann D. Smith, AVP/Account Manager
 Email: ann.smith2@usbank.com

with a copy to:

ProAssurance Corporation
 100 Brookwood Place, Suite 500
 Birmingham, Alabama 35209
 Attention: Larry Cochran, Director of Corporate Investments

with an additional copy to:

Prime Advisors, Inc.
 100 Northfield Drive, 4th Floor
 Windsor, CT 06095
 Attention: Lewis Leon, SVP/Investment Accounting

- (3) Address for all other communications:

Prime Advisors, Inc.
 Redmond Ridge Corporate Center
 22635 NE Marketplace Drive, Suite 160
 Redmond, WA 98053
 Attention: Scott Sell, Vice President

(4) Physical Delivery of Notes:

US Bank Institutional Trust and Custody
EX-AL-WWPH
2204 Lakeshore Drive, Suite 302
Birmingham, AL 35209
Attention: Ann D. Smith, AVP/Account Manager

(5) Tax Identification No.: 38-2317569

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
PRIMERICA LIFE INSURANCE COMPANY	B-24	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

Primerica Life Insurance Company
Account No. 900 9000 168
Account Name: Trust Other Demand IT SSG Custody
FFC Acct Name: Primerica Life Insurance Company
FFC Acct# G07131
JPMorgan Chase Bank
One Chase Manhattan Plaza
New York, New York 10081
ABA No. 021000021
Reference: CUSIP & DESCRIPTION, And Breakdown (principal/income)_____

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

Primerica Life Insurance Company
C/O Conning Asset Management Company
55 East 52nd Street
New York, NY 10055
Attention: John H. DeMallie
Phone: 212-317-5528
Facsimile: 212-317-5179
Email: John_DeMallie@Conning.com

with a copy to:

Primerica Life Insurance Company
C/O Conning Asset Management Company
One Financial Plaza 13th Floor
Hartford, CT 06103-2627
Attention: Private Placement Unit
Phone: 860-299-2173
Facsimile: 860-299-2442
Email: Conning_Documents@Conning.com

- (3) All legal notices and documentation should be directed to:

Primerica Life Insurance Company
C/O Conning Asset Management Company
One Financial Plaza 13th Floor
Hartford, CT 06103-2627
Attention: Vi R. Smalley
Phone: 860-299-2054
Facsimile: 860-299-0054
Email: Vi_Smalley@Conning.com

(4) Physical Delivery of Notes:

Vi R. Smalley
Conning Asset Management Company
One Financial Plaza

Hartford, CT 06103

with a copy to:

Vi_Smalley@conning.com

(5) Tax Identification No.: 04-1590590

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA	C-21	U.S.\$1,000,000

(Notes to be registered in the name of "HARE & Co.")

- (1) All payments by wire transfer of immediately available funds to:

Senior Health Insurance Company of Pennsylvania
The Bank of New York
ABA #021000018

For credit to: Account No. GLA111565

Acct Name: BNY Income Collection

FFC Acct# 005068

FFC Acct Name: Senior Health Insurance Company of Pennsylvania

Reference: CUSIP & DESCRIPTION, And Breakdown (principal/income) _____

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for All Communications (including payments):

Senior Health Insurance Company of Pennsylvania
CVO Conning Asset Management Company
55 East 52nd Street

New York, NY 10055

Attention: John H. DeMallie

Phone: 212-317-5528

Facsimile: 212-317-5179

Email: John_DeMallie@Conning.com

with a copy to:

Senior Health Insurance Company of Pennsylvania

CVO Conning Asset Management Company

One Financial Plaza 13th Floor

Hartford, CT 06103-2627

Attention: Private Placement Unit

Phone: 860-299-2173

Facsimile: 860-299-2442

Email: Conning_Documents@Conning.com

- (3) All legal notices and documentation should be directed to:

Senior Health Insurance Company of Pennsylvania

CVO Conning Asset Management Company

One Financial Plaza 13th Floor

Hartford, CT 06103-2627

Attention: Vi R. Smalley

Phone: 860-299-2054

Facsimile: 860-299-0054

Email: Vi_Smalley@Conning.com

- (4) Physical Delivery of Notes:
Vi R. Smalley
Conning Asset Management Company
One Financial Plaza
Hartford, CT 06103
with a copy to:
Vi_Smalley@conning.com
- (5) Tax Identification No.: 23-0704970

<u>Name of Purchaser</u>	<u>Series-No.</u>	<u>Principal Amount</u>
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY FOR ITS GROUP ANNUITY SEPARATE ACCOUNT	B-25	U.S.\$1,000,000

- (1) All payments by wire transfer of immediately available funds to:

US Bank
777 E. Wisconsin Avenue
Milwaukee, WI 53202
ABA # 075000022

For the account of:
Northwestern Mutual Life-GASA
Account No. 182380324018

with sufficient information to identify the source and application of such funds, including the issuer name, the PPN of the issue, interest rate, payment due date, maturity date, interest amount, principal amount and premium amount.

- (2) Address for Notices Related to Payments:

The Northwestern Mutual Life Insurance Company for its Group Annuity Separate Account
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Investment Operations
Facsimile: (414) 625-6998

- (3) Address for all other communications:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Securities Department
Facsimile: (414) 665-7124

- (4) Physical Delivery of Notes:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Matthew E. Gabrys

- (5) Tax Identification No.: 39-0509570

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“**Affiliate**” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person and, with respect to the FOXTEL Group, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of any Member or any corporation or partnership of which any Member beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, “**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“**Anti-Terrorism Order**” means Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

“**Artist Services**” means Artist Services Cable Management Pty Limited (ABN 97 072 725 289).

“**Artist Services Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Artist Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**ASIC**” means the Australian Securities and Investment Commission.

“**Associate**” means an associate of the Obligor or either Partner within the meaning of Section 128F(9) of the Australian Tax Act.

“**Australia**” means the Commonwealth of Australia.

“**Australian Dollars**” and “**AS**” means lawful money of Australia.

“**Australian Tax Act**” means the Australian Income Tax Assessment Act 1936 and the Australia Income Tax Assessment Act 1997, as the context requires, as amended, and a reference to any section of the Australian Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Australian Income Tax Assessment Act 1997 and any other Act setting the rate of income tax payable and any regulation promulgated thereunder.

“**Business**” means the business, conducted from time to time by the FOXTEL Group, of video entertainment and related services for delivery on any form of technology for which subscribers must pay a fee (other than in respect of the retransmitted open broadcast services), including the right to bundle such services with third party telecommunications services, provide access to FOXTEL STUs to access seekers and make the services available on a wholesale basis including to infrastructure operators.

“**Business Day**” means (a) for the purposes of Section 8.9 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York, or Sydney, New South Wales Australia are required or authorized to be closed.

“**Capital Lease**” means, at any time, (a) a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with Relevant GAAP and (b) any “finance lease” (as defined in the “accounting standards” specified in the Corporations Act).

“**Change of Control**” means, and shall be deemed to have occurred at any time that, the Shareholders (or any of them) cease to legally and beneficially own and control (directly or indirectly) at least 60% of the FOXTEL Group.

“**Closing**” is defined in Section 3.

“**CMH**” means Consolidated Media Holdings Limited (ABN 52 009 071 167), a company registered under the laws of Australia.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Collateral Security**” means any present or future Lien, Guaranty or other document or agreement created or entered into by a Transaction Party or any other person as security for, or to credit enhance, the payment of any of the Secured Money.

“**Company**” is defined in the first paragraph of this Agreement.

“**Confidential Information**” is defined in Section 22.

“**Corporations Act**” means the Australian Corporations Act 2001 (Cwlth), as amended.

“**CTA**” means the Common Terms Agreement (A\$740,000,000 FOXTEL Financing) dated as of July 28, 2006, among the Company, the lead arrangers listed in Schedule 1 thereto, the financiers listed in Schedule 2 thereto, the Facility Agent, the Security Trustee and the guarantors listed in Schedule 3 thereto, as amended, varied or restated from time to time, together with any agreement renewing, refinancing, refunding or replacing the foregoing.

“**Customer Services**” means Customer Services Pty Limited (ACN 069 272 117).

“**Customer Services Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Customer Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**Customer Services Mortgage of Leases**” means the mortgage so entitled dated on or about 9 January 2004 granted by Customer Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**Default**” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“**Default Rate**” means, with respect to any Note, that rate of interest that is the greater of (i) 2.00% per annum above the rate of interest stated in clause (a) of the first paragraph of such Note and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. in New York, New York as its “base” or “prime” rate.

“**Disposition**” is defined in Section 10.5.

“**Distribution**” means, with respect to any Person, any payment or distribution (in cash or in kind), including by interest, dividend, return of capital, repayment or redemption, to or for the benefit of any Shareholder, Partner or “associate” (as defined in section 318 of the Australian Tax Act) of such Person (other than the Obligor or any Member Guarantor), but excluding any payment made in respect of the supply of goods or services by any Shareholder, Partner or “associate” (as defined above) which is not made in excess of a payment on arms length commercial terms.

“**Dollars**” or “**U.S.\$**” means lawful money of the United States of America.

“**EBITDA**” means, with respect to any period, the total amount of consolidated earnings of the FOXTEL Group and net cashflow from joint ventures of the FOXTEL Group, in each case before: (a) interest, (b) (i) tax, including GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding and (ii) income, stamp or transaction duty, tax or charge, in either case which is assessed, levied, imposed or collected by any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, including any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above, (c) depreciation and amortisation, (d) any amounts relating to the impairment of assets, (e) items of income or expense which are considered to be outside the ordinary course of business and are regarded as “exceptional items” or “significant items” (or another term in place of that term) in the accounts, and (f) fair value adjustments of financial derivatives that are not effective hedging instruments under Relevant GAAP.

“**Environmental Laws**” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“**ERISA**” means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Obligor under section 414 of the Code.

“**Excluded Tax**” means, with respect to any holder of a Note, any Tax imposed by any jurisdiction on the net income of such holder as a consequence of such holder being a resident of or organized or doing business in such jurisdiction (but not any Tax which is imposed as a result of such holder being considered a resident of or organized or doing business in such jurisdiction solely as a result of such holder holding a Note with the benefit of the guarantee of the Guarantor and the Partners under this Agreement or being a party to this Agreement or any transaction contemplated by this Agreement or enforcing its rights hereunder or under any Note).

“**Event of Default**” is defined in Section 11.

“**Facility Agent**” means RBS Group (Australia) Pty Ltd or any successor “Facility Agent” under the CTA.

“**Facility Agreement**” means (i) the CTA, (ii) any facility agreement or other similar agreement issued pursuant to, and with the benefit of, the terms of the CTA and providing for financing in a principal or notional amount of at least A\$50,000,000 (or its equivalent in the relevant currency of payment) and (iii) at any time that the CTA is not outstanding, the principal bank facility of the FOXTEL Group.

“**Finance Document**” means:

- (a) this Agreement;
- (b) the Notes;
- (c) each Member Guarantee;
- (d) each Security Document; and
- (e) any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a clause above.

“**Financial Report**” means, with respect to any Person, the following financial statements and information with respect to such Person: (a) a statement of financial performance, (b) a statement of financial position and (c) a statement of cashflows.

“**Fitch**” means Fitch, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

“**FOXTEL Cable**” means FOXTEL Cable Television Pty Limited (ACN 069 008 797).

“**FOXTEL Cable Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by FOXTEL Cable in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Cable Charge (3)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by FOXTEL Cable in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Cable Charge (4)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by FOXTEL Cable in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Cable Charge (Security by deposit)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Customer Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Group**” means:

- (a) the FOXTEL Partnership;
- (b) the FOXTEL Television Partnership;
- (c) the Obligor;
- (d) FOXTEL Cable;
- (e) Customer Services;
- (f) Artist Services;
- (g) Racing Channel; and
- (h) each Wholly-Owned Subsidiary of each of the entities described at paragraphs (a) to (g) above.

“**FOXTEL Management Mortgage of Queensland Lease**” means the mortgage dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee in respect of its leasehold interest in Lot 14 Registered Plan 9985 and Lot 15 Registered Plan 9985, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Management Mortgage of Victorian Leases**” means each mortgage dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee in respect of certain leases of real property located in Victoria, Australia, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL New Charge**” means the fixed and floating charge so entitled dated on or about 16 September 2009 granted by the Company, FOXTEL Cable, Customer Services, Artist Services and Racing Channel in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Partnership**” means the partnership constituted by the FOXTEL Partnership Agreement.

“**FOXTEL Partnership Agreement**” means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and the Company as amended by the deed dated 21 November 2002 between the Company, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, PBL, each Partner, Telstra, Telstra Multimedia and News, and as further amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Partnership Charge (3)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Sky Cable, Telstra Media and the Company in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Partnership Charge (Security by deposit)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Partnership New Charge**” means the fixed and floating charge so entitled dated on or about 16 September 2009 granted by the Company, FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership, Sky Cable and Telstra Media in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Television Partnership**” means the partnership constituted by the FOXTEL Television Partnership Agreement.

“**FOXTEL Television Partnership Agreement**” means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and FOXTEL Cable as amended by the deed dated 21 November 2002 between the Company, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, PBL, each Partner, Telstra, Telstra Multimedia and News, and as further amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Television Partnership Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Sky Cable and Telstra Media in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Television Partnership New Charge**” means the fixed and floating charge so entitled dated on or about 16 September 2009 granted by Sky Cable and Telstra Media in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“Governmental Authority” means

(a) the government of

(i) the United States of America or Australia or any State or other political subdivision of either thereof, or

(ii) any other jurisdiction in which the Obligor or any Partner conducts all or any part of its business, or which asserts jurisdiction over any properties of any Transaction Party or any Member, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Group Structure Diagram” means the group structure diagram set forth in Schedule 4.9, as amended or updated by the delivery of a new diagram pursuant to Section 7.1(h).

“GST” means the goods and services tax levied under the New Tax System (Goods and Services Tax) Act 1999 (Cwth), as amended.

“Guaranteed Obligations” is defined in Section 14.1.

“Guarantor” is defined in the first paragraph of this Agreement.

“Guaranty” means any guaranty, suretyship, letter of credit, letter of comfort or any other obligation (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of, (b) to indemnify any Person against the consequences of default in the payment of or (c) to be responsible for, any debt or monetary liability of another person or the assumption of any responsibility or obligation in respect of the insolvency or the financial condition of any other Person.

“Hazardous Material” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“holder” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 15.1.

“**Indebtedness**” means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill of exchange, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) Guaranty;
- (d) finance or capital lease;
- (e) agreement for the deferral (of at least 120 days) of a purchase price or other payment in relation to the acquisition of any asset or service;
- (f) obligation to deliver goods or provide services paid for in advance by any financier; or
- (g) agreement for the payment of capital or premium on the redemption of any preference shares;

and irrespective of whether the debt or liability (i) is present or future, (ii) is actual, prospective, contingent or otherwise, (iii) is at any time ascertained or unascertained, (iv) is owed or incurred alone or severally or jointly or both with any other person or (v) comprises any combination of the above.

“**Institutional Investor**” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

“**Intellectual Property**” means (a) all trade secrets, confidential information, know-how, patents, trade marks, designs, service marks, business names, copyright and computer programs which are material to the Business, and (b) any interest (including by way of license) in any of the foregoing, in each case whether registered or not and including all applications for same.

“**Interest Expenses**” means interest and amounts in the nature of, or having a similar purpose or effect to, interest and includes (a) discount on a bill of exchange (as defined in the Bills of Exchange Act 1909 (Cwth)) or other instrument, (b) fees and amounts incurred on a regular or recurring basis, such as line fees, and (c) capitalized amounts of the same or similar name to the foregoing.

“**Interest Service**” means, with respect to any period, without double counting, an amount equal to (a) the aggregate amount of all Interest Expenses, rentals, any other recurrent payments of a similar nature (including gross-ups and increased cost payments) and any other recurring fees, costs and expenses paid during such period, in each case under or in relation to

any Indebtedness of any Member, but which shall not include any such payments in respect of transactions between or among the Company and/or any Member Guarantor, plus or minus (b) the net amount of any difference between payments by or to the Company under any swap or hedge transactions relating to interest rates during such period.

“**Investment Company Act**” means the United States Investment Company Act of 1940, as amended.

“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“**Make-Whole Amount**” is defined in Section 8.9.

“**Material**” means material in relation to the business, operations, affairs, financial condition, assets or properties of the FOXTEL Group.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the FOXTEL Group; or (b) the ability of any Transaction Party to perform its obligations under the Finance Documents to which it is a party; or (c) the validity or enforceability of any Finance Document; or (d) the value of the Secured Property; or (e) the rights and remedies of any holder of a Note or the Security Trustee under any Finance Document.

“**Material New Agreement**” is defined in the Security Trust Deed.

“**Member**” means any Person listed in any of clauses (a) through (h) of the defined term “FOXTEL Group”.

“**Member Guarantee**” means a guarantee of a Member Guarantor of the obligations of the Company under this Agreement and the Notes, substantially in the form of Exhibit 9.8.

“**Member Guarantor**” means, as of the date of Closing, each Member identified as a “Member Guarantor” on Schedule 5.4 and, thereafter, each other Member that has executed and delivered a Member Guarantee pursuant to Section 9.8, in each case that has not been released from its Member Guarantee pursuant to Section 9.8(f).

“**Memorandum**” is defined in Section 5.3.

“**Modified Make-Whole Amount**” is defined in Section 8.9.

“**Moody’s**” means Moody’s Investors Service, a subsidiary of Moody’s Corporation, together with any relevant local affiliates thereof and any successor to any of the foregoing.

“**Moonee Ponds Mortgage**” means the mortgage of lease dated 8 March 2005 granted by the Company in favor of the Security Trustee in respect of its leasehold interest in land situated at Dean Street, Moonee Ponds, Victoria, Australia (being the land comprised in certificate of title Volume 10856 Folio 822), as amended, restated, supplemented or otherwise modified from time to time.

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto.

“**News**” means News Holdings Limited (ABN 40 007 910 330).

“**Non-U.S. Plan**” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by any Member primarily for the benefit of employees of one or more Members residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“**Notes**” is defined in Section 1.

“**Obligor**” is defined in the first paragraph of this Agreement.

“**Officer’s Certificate**” means a certificate of a Senior Financial Officer or of any other officer of either Partner or the Obligor, as the context requires, whose responsibilities extend to the subject matter of such certificate.

“**Partner**” is defined in the first paragraph of this Agreement.

“**PBL**” means Publishing and Broadcasting Limited (ABN 52 009 071 167).

“**Permitted Restructuring**” is defined in Section 9.5.

“**Person**” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“**property**” or “**properties**” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**Purchaser**” is defined in the first paragraph of this Agreement.

“**QP Transfer Certificate**” means a Qualified Purchaser Transfer Certificate in the form of Exhibit 15.2.

“**Qualified Purchaser**” means any person who is a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder.

“**Racing Channel**” means The Racing Channel Cable-TV Pty Limited (ABN 91 069 619 307).

“**Racing Channel Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Racing Channel in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“**Release Consideration**” is defined in Section 24(b).

“**Relevant GAAP**” means, with respect to (i) the FOXTEL Group and each Reporting Member, generally accepted accounting principles, standards and practices as in effect from time to time in Australia, and (ii) with respect to any Person other than the FOXTEL Group and the Reporting Members, generally accepted accounting principles (including any applicable application of International Financial Reporting Standards) as in effect from time to time in the jurisdiction under which such Person prepares its books of account and financial records and statements.

“**Reporting Member**” means each Member (other than Artist Services and Racing Channel for so long as such Person remains dormant).

“**Required Holders**” means, at any time, the holders of more than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by any Member, a Partner or any of their respective Affiliates).

“**Responsible Officer**” means any Senior Financial Officer and any other officer of either Partner or the Obligor, as the context requires, with responsibility for the administration of the relevant portion of this Agreement.

“**S&P**” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

“**Secured Moneys**” means all debts and monetary liabilities of each Transaction Party to the holders of Notes under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:

- (a) are present or future;
- (b) are actual, prospective, contingent or otherwise;
- (c) are at any time ascertained or unascertained;
- (d) are owed or incurred by or on account of any Transaction Party alone, or severally or jointly with any other person;
- (e) are owed or incurred as principal, interest, fees, premiums, make-whole amounts, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account; or
- (f) comprise any combination of the above;

“**Secured Property**” means any property or assets subject to a Security.

“**Securities Act**” means the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Security**” means:

- (a) the FOXTEL Partnership Charge (3);
- (b) the FOXTEL Partnership Charge (Security by deposit);
- (c) the FOXTEL Television Partnership Charge (2);
- (d) the FOXTEL Charge (2);
- (e) the FOXTEL Cable Charge (2);
- (f) the FOXTEL Cable Charge (3);
- (g) the FOXTEL Cable Charge (4);
- (h) the FOXTEL Cable Charge (Security by deposit);
- (i) the Customer Services Charge (2);
- (j) the Artist Services Charge (2);
- (k) the Racing Channel Charge (2);
- (l) the Customer Services Mortgage of Leases;
- (m) any FOXTEL Management Mortgage of Victorian Leases;
- (n) the FOXTEL Management Mortgage of Queensland Lease;
- (o) the Moonee Ponds Mortgage;
- (p) the FOXTEL New Charge;
- (q) the FOXTEL Partnership New Charge;
- (r) the FOXTEL Television Partnership New Charge; or
- (s) any Collateral Security.

“**Security Documents**” means:

- (a) the Security Trust Deed;
- (b) each Security; and
- (c) any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a clause above.

“**Security Release**” is defined in Section 24(a).

“**Security Release Date**” is defined in Section 24(a).

“**Security Trust Deed**” means the Security Trust Deed dated on or about 9 January 2004, between the Security Trustee, the Transaction Parties and each party listed in schedule 1 thereto, as amended and restated on 11 September 2009, and as further amended, restated, supplemented or otherwise modified from time to time.

“**Security Trustee**” means RBS Group (Australia) Pty Ltd or any successor “Security Trustee” under the Security Trust Deed.

“**Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or controller of the Obligor or either Partner, as the context requires.

“**Series A Notes**” is defined in Section 1.

“**Series B Notes**” is defined in Section 1.

“**Series C Notes**” is defined in Section 1.

“**Shareholder**” means:

- (a) Telstra;
- (b) News; and
- (c) CMH.

“**Sky Cable**” is defined in the first paragraph of this Agreement.

“**STD Accession Deed**” means the Accession Deed substantially in the form of Exhibit 4.13, pursuant to which a Purchaser shall become a Beneficiary under, and as defined in, the Security Trust Deed.

“**STU**” means set top unit (including a refurbished or re-birthed set top unit).

“**Subordinated Debt**” means (i) Indebtedness identified as Subordinated Debt on Schedule 5.15 and (ii) all other Indebtedness of any Member which is the subject of a Subordination Deed.

“**Subordination Deed**” means a subordination deed in a form approved by the Required Holders (acting reasonably) between the Security Trustee, the Person who has incurred or will incur Indebtedness and the entity to whom the Indebtedness is or will be owed, in relation to the provision of Subordinated Debt to any Member.

“**Subsidiary**” means a subsidiary as defined in Section 46 of the Corporations Act.

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Tax**” means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

“**Taxing Jurisdiction**” is defined in Section 13.

“**Telstra**” means Telstra Corporation Limited (ABN 33 051 775 556).

“**Telstra Deed of Cross Guarantee**” means the ASIC Class Order deed of cross guarantee entered into by Telstra and certain of its subsidiaries on 4 June 1996.

“**Telstra Media**” is defined in the first paragraph of this Agreement.

“**Title Document**” means any original, duplicate or counterpart certificate or document of title to any real property or share.

“**Total Assets**” means, at any time, the aggregate amount of all assets of the FOXTEL Group at such time.

“**Total Debt**” means, at any time, the aggregate amount of all Indebtedness of each Member, excluding transactions between or among the Company and/or any Member Guarantor and excluding Subordinated Debt.

“**Transaction Party**” means the Obligor, each Partner and each Member Guarantor.

“**Tripartite Agreement**” means any tripartite agreement, consent deed or similar document entered into between, among others, the Security Trustee and a Member in relation to a contract to which such Member is a party.

“**U.S. Person**” means any Person who is a “U.S. person” as defined in Rule 902(k) under the Securities Act.

“**USA PATRIOT Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Members and the Members’ other Wholly-Owned Subsidiaries at such time.

DISCLOSURE MATERIALS

Media Release of September 15, 2009 entitled "Historic Reforms to Telecommunications Regulation", issued by Senator the Hon. Stephen Conroy, Minister for Broadband, Communications and the Digital Economy.

**MEMBER GUARANTORS, AFFILIATES
AND OWNERSHIP OF MEMBER STOCK**

Members, Member Guarantors, Ownership of Capital Stock, Affiliates and Restrictions on Distributions

<u>Member</u>	<u>Member Guarantor?</u>	<u>Owner of Capital Stock/Similar Equity Interests*</u>	<u>Affiliates (other than Subsidiaries)</u>	<u>Restrictions on Distributions</u>
FOXTEL Partnership	No	50%-Sky Cable Pty Limited 50%-Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.
FOXTEL Television Partnership	No	50%-Sky Cable Pty Limited 50%-Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.
FOXTEL Management Pty Limited	No	50%-Sky Cable Pty Limited 50%-Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006, the Lease Agreement (WA) dated 19 October 2006, the Lease Offer (SA)

				dated 18 October 2006 and the Lease Offer (Qld) dated 18 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.
FOXTEL Cable Television Pty Limited	Yes	20%*-Sky Cable Pty Limited 80%*-Telstra Media Pty Limited *Economic interest held by above parties 50/50	Sky Cable Pty Limited and Telstra Media Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.
Customer Services Pty Limited	Yes	50%-Sky Cable Pty Limited 50%-Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.
Artist Services Cable Management Pty Limited	Yes	FOXTEL Management Pty Limited	FOXTEL Management Pty Limited, The Racing Channel Cable-TV Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.
The Racing Channel Cable-TV Pty Limited	Yes	FOXTEL Management Pty Limited	FOXTEL Management Pty Limited, Artist Services Cable Management Pty Limited	Restriction under clause 9.5(d) of the Lease Agreement (NSW, ACT, Victoria) dated 19 October 2006. Member may not reduce its capital without the consent of the ABN AMRO Australia Pty Limited.

* All capital stock/equity interests described are subject to the Liens existing under the Security.

Transaction Party	Senior Officers	Directors
FOXTEL Management Pty Limited	Kimberley Williams (CEO) Peter Tonagh (CFO) Patrick Delany (Executive Director - Sales and Product Development) Brian Walsh (Executive Director – Television and Marketing) Shona Bishop – Customer Service and Installations) Peter Smart (Chief Technology Officer) Lynette Ireland (Director of Legal and Business Affairs, Company Secretary) Adam Suckling (Director of Policy and Wholesale) Peter Campbell (Director – Sports and Olympics)	Gerald Sutton Bruce Akhurst John Alexander David Moffat Kimberley Williams Peter Macourt Richard Freudenstein Guy Jalland
Sky Cable Pty Limited	None.	Ian Philip James Packer Stephen Rue John Alexander Peter Macourt Steven Cooper
Telstra Media Pty Limited	None.	Mark Hall Gerald Sutton Claire Elliott
FOXTEL Cable Television Pty Limited	None.	Bruce Akhurst Gerald Sutton John Alexander

Customer Services Pty Limited	None.	David Moffat Kimberley Williams Peter Macourt Richard Freudenstein Guy Jalland
Artist Services Cable Management Pty Limited	None.	Bruce Akhurst Gerald Sutton John Alexander David Moffat Kimberley Williams Peter Macourt Richard Freudenstein Guy Jalland Peter Tonagh
The Racing Channel Cable-TV Pty Limited	None.	Peter Tonagh Kimberley Williams

FINANCIAL STATEMENTS

FOXTEL Group Special Purpose Financial Report for the year ended 30 June 2009 FOXTEL Group Special Purpose Financial Report for the years ended 30 June 2006, 30 June 2007 and 30 June 2008

Reconciliation of management accounts to aggregated financial information for 2006 to 2009

Aggregated Financial Information of FOXTEL Group for the year ended 30 June 2008

Aggregated Financial Information of FOXTEL Group for the year ended 30 June 2007

Aggregated Financial Information of FOXTEL Group for the year ended 30 June 2006

EXISTING INDEBTEDNESS/FUTURE LIENS

In accordance with Section 5.15, existing Indebtedness as of August 31, 2009 is as follows:

<u>Nature of Debt</u>	<u>Obligor(s)</u>	<u>Facility Amount (AUD000's)</u>	<u>Amount Outstanding (AUD000's)</u>
Loan Facility Agreement dated 28 July 2006 (as amended)*	FOXTEL Management Pty Limited	740,000	735,000
	<u>Guarantors:</u>		
(ANZ, CBA, NAB, Suncorp Metway, Toronto- Dominion, Sumitomo, Citibank, Westpac, RBS)	Artist Services Cable Management Pty Limited		
	Customer Services Pty Limited		
	FOXTEL Cable Television Pty Limited		
	FOXTEL Management Pty Limited (in its own capacity)		
	Sky Cable Pty Limited		
	Telstra Media Pty Limited		
	The Racing Channel Cable-TV Pty Limited		
CBA Multi Option Facility Agreement dated 24 September 2004 (as amended)*	FOXTEL Management Pty Limited	10,000	6,176
	Customer Services Pty Limited		
ANZ Finance Lease Letter of Offer (accepted June 2005)	FOXTEL Management Pty Ltd	10,000	4,208

CBA Facility Agreement dated 30 June 2009*	FOXTEL Management Pty Limited	75,000	34,150
	<u>Guarantors:</u>		
	Artist Services Cable Management Pty Limited		
	Customer Services Pty Limited		
	FOXTEL Cable Television Pty Limited		
	FOXTEL Management Pty Limited (in its own capacity)		
	Sky Cable Pty Limited		
	Telstra Media Pty Limited		
	The Racing Channel Cable-TV Pty Limited		
RBS Operating Leases (originally entered into with ABN Amro Australia Pty Limited)	FOXTEL Management Pty Ltd	23,045	23,045
• Lease Offer (Qld) dated 18 October 2006			
• Lease Offer (SA) dated 18 October 2006			
• Lease Agreement (WA) dated 19 October 2006			
• Lease Agreement (NSW, ACT, Victoria) dated 19 October 2009			
* Secured by the Security.			

In accordance with Section 5.15(c) of this Agreement, the following instruments, documents or agreements limit the amount of, or otherwise impose restrictions on the incurring of Indebtedness of FOXTEL Management Pty Limited.

Document

Restriction

CTA (including as incorporated into the Loan Facility Agreement and the CBA Multi Option Facility Agreement)	<ul style="list-style-type: none">• FOXTEL Management Pty Limited is not permitted to provide guarantees in respect of indebtedness not permitted under the CTA.• Interest Cover Ratio.• Total Debt to EBITDA ratio.
CBA Facility Agreement dated 30 June 2009	<ul style="list-style-type: none">• FOXTEL Management Pty Limited is not permitted to provide guarantees in respect of indebtedness not permitted under the CBA Facility Agreement.• Interest Cover Ratio.• Total Debt to EBITDA ratio.
Side Letter to RBS Group (Australia) Pty Limited dated 17 July 2009	<ul style="list-style-type: none">• Any additional funding obtained by FOXTEL Management Pty Limited and secured by the Securities shall have a maturity date which is after September 2012 except for existing or new short term facilities established with any one or more of the Financiers.
Side Letter to RBS Group (Australia) Pty Limited dated 17 July 2009	<ul style="list-style-type: none">• FOXTEL Management Pty Limited will not without the prior written consent of RBS Group (Australia) Pty Limited enter into a financing arrangement which would result in a particular class of Beneficiaries other than the Financiers having more than 66.7% of the Total Exposure (as defined in the Security Trust Deed).

[FORM OF SERIES A NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)

5.04% Series A Guaranteed Senior Secured Note Due 2014

No. A-[]

U.S.\$[]

[Date]
PPN: Q3946* AA1

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on September 24, 2014 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.04% per annum from the date hereof, payable semiannually, on the 24th day of March and September in each year, commencing with the March 24 or September 24 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 7.04% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make- Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Secured Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Director/Secretary Signature

Print Name

Print Name

[FORM OF SERIES B NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)

5.83% Series B Guaranteed Senior Secured Note Due 2016

No. B-[]

U.S.\$[]

[Date]

PPN: Q3946* AB9

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on September 24, 2016 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.83% per annum from the date hereof, payable semiannually, on the 24th day of March and September in each year, commencing with the March 24 or September 24 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 7.83% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Secured Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Director/Secretary Signature

Print Name

Print Name

[FORM OF SERIES C NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)

6.20% Series C Guaranteed Senior Secured Note Due 2019

No. C-[]

U.S.\$[]

[Date]

PPN: Q3946* AC7

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on September 24, 2019 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.20% per annum from the date hereof, payable semiannually, on the 24th day of March and September in each year, commencing with the March 24 or September 24 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 8.20% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Secured Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

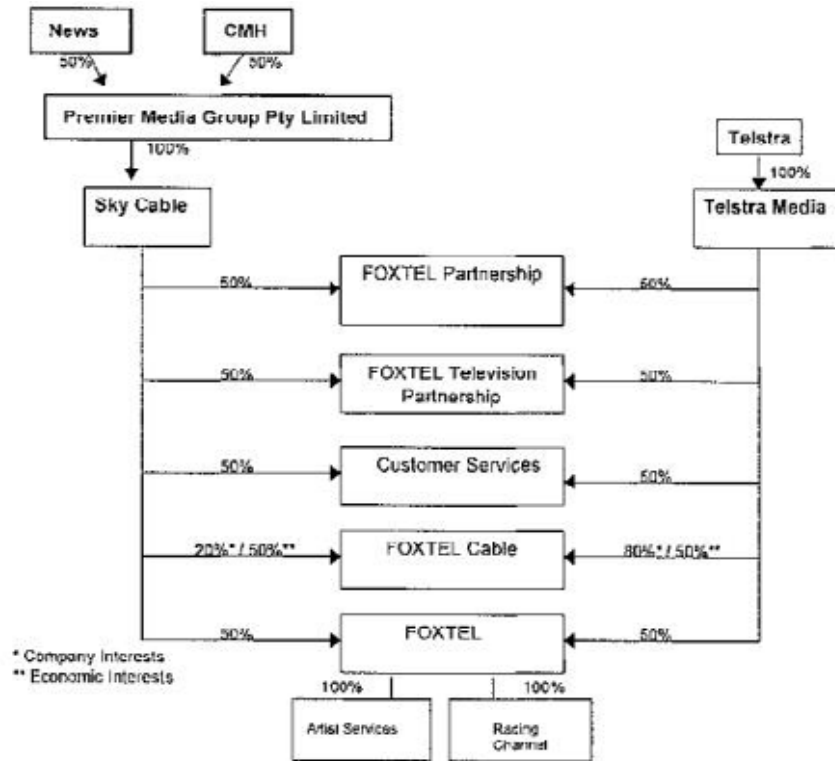
Director Signature

Director/Secretary Signature

Print Name

Print Name

GROUP STRUCTURE DIAGRAM



[FORM OF STD ACCESSION DEED]

Accession Deed (New Beneficiaries)**This deed poll**

is made on September 2009 by each entity listed in the 'Name' column of the table in the Schedule (each, a *New Beneficiary*)

It is declared as follows.

1 Interpretation**1.1 Incorporated definitions**

A word or phrase (other than one defined in clause 1.2) defined in the Security Trust Deed has the same meaning in this deed.

1.2 Definitions

In this deed:

Effective Date means the date on which this deed is executed; and

Security Trust Deed means the deed dated 9 January 2004 (as amended on 11 September 2009) between each party listed in schedule 1 of that deed (as Initial Beneficiaries), the Security Trustee and each party listed in schedule 2 of that deed (as Initial Security Providers) constituting the FOXTEL Security Trust.

1.3 Interpretation

Clauses 1.2, 1.3 and 1.4 of the Security Trust Deed apply to this deed as if set out in full of this deed.

1.4 Deed poll

This is a deed poll. It may be relied on and enforced by the Security Trustee.

2 New Beneficiaries become parties

2.1 New Beneficiaries become parties

With effect on and from the Effective Date:

- (a) each New Beneficiary is taken to be a party to the Security Trust Deed;
 - (b) each New Beneficiary becomes bound by the Security Trust Deed and receives the benefits of a Beneficiary under the Security Trust Deed in accordance with clause 8.3(b) of the Security Trust Deed; and
 - (c) each reference in the Finance Documents to “Beneficiary” includes a reference to each New Beneficiary.
-

3 Acknowledgments

3.1 Copies of documents

Each New Beneficiary acknowledges that it has received a copy of the Security Trust Deed together with the other information which it has required in connection with this deed.

3.2 Acknowledgment to Security Trustee

Without limiting the general application of clause 2, each New Beneficiary acknowledges and agrees as specified in clause 6 of the Security Trust Deed.

3.3 Appointment of attorney

Without limiting the general application of clause 2, each New Beneficiary, for consideration received, irrevocably appoints as its attorney each person who under the terms of the Security Trust Deed is appointed an attorney of a Beneficiary on the same terms and for the same purposes as contained in the Security Trust Deed.

4 Notices

The details of each New Beneficiary for the purpose of clause 12.4 of the Security Trust Deed are listed in the ‘Notice Details’ column of the table in the Schedule.

5 Governing law

- (a) This deed is governed by the laws of New South Wales.
 - (b) Each New Beneficiary irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.
-

6 Attorneys

Each of the attorneys executing this deed states that the attorney has no notice of revocation of the attorney’s power of attorney.

Executed as a deed:

The foregoing is hereby agreed to
as of the date thereof.

[PURCHASER]

Schedule of New Beneficiaries

Name

Notice Details

[FORM OF MEMBER GUARANTEE]**DEED OF GUARANTEE**DEED POLL DATED:

BY: The Companies listed in Annex I hereto, whose place of incorporation and address are specified therein (each a **“Member Guarantor”** and collectively, the **“Member Guarantors”**).

In favour of each person who is from time to time a Holder of one or more of any of the (i) U.S.\$31,000,000 5.04% Series A Guaranteed Senior Secured Notes due 2014, (ii) U.S.\$74,000,000 5.83% Series B Guaranteed Senior Secured Notes due 2016 and (iii) U.S.\$75,000,000 6.20% Series C Guaranteed Senior Secured Notes due 2019 (collectively, together with all notes delivered in substitution or exchange for any of said notes pursuant to the Note and Guarantee Agreement referred to below, the **“Notes”**), in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (**“FOXTEL Management”**), in its own capacity (in such capacity, the **“Company”**), pursuant to the Note and Guarantee Agreement dated as of September 24, 2009 (as amended, modified or supplemented from time to time, the **“Note and Guarantee Agreement”**), among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (**“Sky Cable”**), Telstra Media Pty Limited (ABN 72 069 799 640) (**“Telstra Media”**) and, together with Sky Cable, the **“Partners”**), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the **“Guarantor”**), and each of the purchasers listed in Schedule A attached thereto.

Section 1. Definitions. Terms defined in the Note and Guarantee Agreement are used herein as defined therein.

Section 2. The Guarantee.

2.01 The Guarantee. It is acknowledged that the Company shall use the proceeds from the sale of the Notes to repay existing Indebtedness and for other general corporate purposes to the benefit of the FOXTEL Group, of which the Company and the Member Guarantors are a part. For such valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Member Guarantor hereby unconditionally, absolutely and irrevocably guarantees, on a joint and several basis, to each holder of a Note (each, a **“Holder”**) (a) the prompt payment in full, in Dollars, when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and, to the extent permitted by

applicable law, on any overdue interest and on amounts described in Section 13 of the Note and Guarantee Agreement) and all other amounts from time to time owing by the Company under the Note and Guarantee Agreement and under the Notes (including, without limitation, costs, expenses and taxes), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed under the Note and Guarantee Agreement, in each case strictly in accordance with the terms thereof (such payments and other obligations being herein collectively called the “**Guaranteed Obligations**”). Each Member Guarantor hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, each Member Guarantor will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to any Holder such amounts, to the extent lawful, as shall be sufficient to pay the reasonable costs and expenses of collection or of otherwise enforcing any of such Holder’s rights under the Note and Guarantee Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Member Guarantors under this Section 2.01 shall survive the transfer of any Note, and any obligations of the Member Guarantors under this Section 2.01 with respect to which the related underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive the payment of such Note.

2.02 Obligations Unconditional. (a) The obligations of the Member Guarantors under Section 2.01 are joint and several and constitute a present and continuing guaranty of payment and not collectibility and are absolute, irrevocable and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under the Note and Guarantee Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 2.02 that the obligations of the Member Guarantors hereunder shall be absolute, irrevocable and unconditional, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of any Member Guarantor hereunder which shall remain absolute, irrevocable and unconditional as described above:

(1) any amendment or modification of any provision of the Note and Guarantee Agreement or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security (including any Security) or any additional guarantee or any release of any security or guarantee (including the release of any other Member Guarantor as contemplated by Section 5.07) so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of the Note and Guarantee Agreement or the Notes, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company, the Guarantor or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, the Note and Guarantee Agreement, the Notes or any other agreement;

(5) any transfer or purported transfer of any assets to or from the Company or the Guarantor, including without limitation, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company or the Guarantor with or into any Person, any change in the ownership of any shares of capital stock or other equity interests of the Company or the Guarantor, or any change whatsoever in the objects, capital structure, constitution or business of the Company or the Guarantor;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or the Guarantor or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or the Guarantor or any other Person of, any term of the Note and Guarantee Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favour of, any beneficiaries or creditors of, the Company or the Guarantor or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of the Note and Guarantee Agreement, the Notes, any other Member Guarantee given by another Member Guarantor or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or the Guarantor or any trustee or agent thereof; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The guarantee under this Section 2 is a guarantee of payment and not collectibility and each Member Guarantor hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any Holder exhaust any right, power or remedy against the Company or the Guarantor under the Note and Guarantee Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Member Guarantor, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

(c) In the event that any Member Guarantor shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, such Member Guarantor shall not exercise any subrogation or other rights hereunder or under the Notes and such Member Guarantor hereby waives all rights it may have to exercise any such subrogation or other rights, and all other remedies that it may have against the Company, the Guarantor or any other Member Guarantor, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. If any amount shall be paid to any Member Guarantor on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. Each Member Guarantor agrees that its obligations under this Deed of Guarantee shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any Holder, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

The guarantee in this Section 2 is a continuing guarantee and indemnity and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs. This Section 2 is a principal and independent obligation and, except for stamp duty purposes, is not ancillary or collateral to another document, agreement, right or obligation.

If an event permitting or causing the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person of a case or proceeding under a bankruptcy or insolvency law, each Member Guarantor agrees that, for purposes of this Deed of Guarantee and its obligations hereunder, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the Holders had accelerated the same in accordance with the terms of the Note and Guarantee Agreement, and each Member Guarantor shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amount and any other amounts guaranteed hereunder without further notice or demand.

2.03 Exclusion of Subrogation and Other Rights. Until each Holder has received payment of all the Guaranteed Obligations owed to it and each Holder is satisfied that it will not have to repay any money received by it in connection with the Guaranteed Obligations, each Member Guarantor must not (either directly or indirectly):

- (a) claim, exercise or attempt to exercise a right of set-off or any other right which might reduce or discharge such Member Guarantor's liability under this Deed of Guarantee;

(b) claim or exercise a right of subrogation or a right of contribution or otherwise claim the benefit of any guarantee, security interest or negotiable instrument held or given, whether before or after this Deed of Guarantee is executed, as security for or otherwise in connection with the Guaranteed Obligations; or

(c) unless each Holder has given a written direction to do so, (i) prove, claim or exercise voting rights in the winding up of the Company, the Guarantor or another Member Guarantor in competition with such Holder, (ii) if a demand has been made by a Holder hereunder, claim or receive the benefit of a distribution, dividend or payment arising out of the winding up of the Company, the Guarantor or another Member Guarantor or (iii) if a demand has been made by a Holder hereunder, demand, or accept payment of, any money owed to such Member Guarantor by the Company, the Guarantor or any other Member Guarantor.

2.04 No Claim in Winding Up: Limitation on Set Off. Despite any liability of the Company, the Guarantor or any Member Guarantor to any Member Guarantor, no Member Guarantor has a debt provable in the winding up of the Company, the Guarantor or any Member Guarantor unless:

(a) each Holder has received all of the Guaranteed Obligations owed to it and has notified the Member Guarantors in writing that it is satisfied that it will not have to repay any money received by it in reduction of the Guaranteed Obligations; or

(b) each Holder has given a written direction to the Member Guarantors to prove such debt in the winding up of the Company, the Guarantor or any Member Guarantor, as the case may be.

Each Member Guarantor agrees that if the Company, the Guarantor or any Member Guarantor is wound up no set-off between mutual debts of any Member Guarantor and the Company, the Guarantor or any Member Guarantor will occur until any such Member Guarantor has a provable debt.

2.05 No Marshalling. No Holder need resort to any other Member Guarantee, any other guarantee or security interest before exercising a power under this Deed of Guarantee.

2.06 Exercise of Holders' Rights. (a) Each Holder may in its absolute discretion (i) demand payment of the Guaranteed Obligations from all or any of the Member Guarantors and (ii) proceed against all or any of them; and

(b) No Holder is obligated to exercise any of such Holder's rights under this Deed of Guarantee against (i) all of the Member Guarantors or (ii) any of the Member Guarantors (even if the Holder has exercised rights against another Member Guarantor) or (iii) two or more of the Member Guarantors at the same time.

2.07 Rescission of Payment. Whenever any of the following occurs for any reason (including under any law relating to bankruptcy, insolvency, liquidation, fiduciary obligations or the protection of creditors generally):

- (a) all or part of any transaction of any nature (including any payment or transfer) made during the term of this Deed of Guarantee which affects or relates in any way to the Guaranteed Obligations is void, set aside or voidable;
- (b) any claim that anything contemplated by paragraph (a) is so upheld, conceded or compromised; or
- (c) any Holder is required to return or repay any money or asset received by it under any such transaction or the equivalent in value of that money or asset,

the relevant Holder will immediately become entitled against each Member Guarantor to all rights in respect of the Guaranteed Obligations which it would have had if all or the relevant part of the transaction or receipt had not taken place. Each Member Guarantor shall indemnify each Holder against any resulting loss, cost or expense. This clause shall continue after this Deed of Guarantee is discharged.

2.08 Limitation. Anything herein to the contrary notwithstanding, the liability of any Member Guarantor under this Deed Guarantee shall in no event exceed an amount equal to the maximum amount which can be guaranteed by such Member Guarantor under applicable laws relating to the insolvency of debtors and fraudulent conveyance.

2.09 Indemnity. (a) If any Guaranteed Obligations (or moneys which would have been Guaranteed Obligations if it had not been irrecoverable) are irrecoverable by any Holder from (x) any Transaction Party; or (y) any Member Guarantor on the footing of a guarantee, the Member Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation shall:

(1) indemnify each Holder against any loss suffered, paid or incurred by that Holder in relation to the non-payment of such money;
and

(2) pay such Holder an amount equal to such money.

(b) Section 2.09(a) applies to the Guaranteed Obligations (or money which would have been Guaranteed Obligations if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:

(1) they are or may be irrecoverable because of any event described in Section 2.02(a);

(2) the transactions or any of them relating to that money are void or illegal or avoided or otherwise unenforceable;

(3) any matters relating to the Guaranteed Obligations are or should have been within the knowledge of any Holder; and

(4) they are or may be irrecoverable because of any other fact or circumstance (other than the indefeasible payment in full of the Guaranteed Obligations).

Section 3. Representations and Warranties. Each Member Guarantor represents and warrants to the Holders that:

3.01 Organization; Power and Authority. Such Member Guarantor is a corporation or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Such Member Guarantor has the corporate or other organizational power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Deed of Guarantee and to perform the provisions hereof.

3.02 Authorization, etc. This Deed of Guarantee has been duly authorized by all necessary corporate or other organizational action on the part of such Member Guarantor, and this Deed of Guarantee constitutes a legal, valid and binding obligation of such Member Guarantor enforceable against such Member Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.03 Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by such Member Guarantor of this Deed of Guarantee will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Member Guarantor under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum or articles of association, partnership agreement, regulations or by-laws or other organizational document, or any other agreement or instrument to which such Member Guarantor is bound or by which such Member Guarantor or any of its properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Member Guarantor or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Member Guarantor.

3.04 Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by such Member Guarantor of this Deed of Guarantee including, without limitation, any thereof required in connection with the obtaining of Dollars to make payments under this Deed of Guarantee or the payment of such Dollars to Persons resident in

the United States of America, except for any consents, approvals, authorizations, registrations, filings or declarations which have been made or obtained and are in full force and effect. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in the jurisdiction of organization of such Member Guarantor of this Deed of Guarantee, that this Deed of Guarantee or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax, except for any filings, recordations, enrollments or stamps which have been made or obtained and are in full force and effect.

3.05 Taxes. No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of or in the jurisdiction of organization of such Member Guarantor or any political subdivision thereof or therein will be incurred by such Member Guarantor or any Holder of a Note as a result of the execution or delivery of this Deed of Guarantee, except for any Taxes which have been paid.

3.06 Solvency. Such Member Guarantor is solvent and able to pay all its debts as and when they fall due and such Member Guarantor will not be rendered insolvent as a result of entering into the transactions contemplated by this Deed of Guarantee (after taking into consideration contingencies and contribution from others).

3.07 Ranking. Such Member Guarantor's payment obligations under this Deed of Guarantee constitute direct and general obligations of such Member Guarantor and rank (i) *pari passu* in right of payment and are secured equally and ratably with Indebtedness of such Member Guarantor that has the benefit of Security over the Secured Property of such Member Guarantor, as set forth in the Security Trust Deed, and (ii) *pari passu* in right of payment with all other Indebtedness of such Member Guarantor and senior to such Indebtedness to the extent of the Security over the Secured Property of such Member Guarantor.

Section 4. Tax Indemnity. All payments whatsoever under this Deed of Guarantee will be made by the relevant Member Guarantor in lawful currency of the United States of America free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by any Member Guarantor under this Deed of Guarantee, such Member Guarantor will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each Holder such additional amounts as may be necessary in order that the net amounts paid to such Holder pursuant to the terms of this Deed of Guarantee, after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such Holder under the terms of this Deed of Guarantee before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Excluded Tax;

(b) with respect to a Holder, provided that such Member Guarantor is registered under the laws of Australia, any Tax that would not have been imposed but for any breach by such Holder of any representation made or deemed to have been made by such Holder pursuant to Section 6.3 (a), 6.3(c) or 6.3(d) of the Note and Guarantee Agreement;

(c) any Tax that would not have been imposed but for the existence of any present or former connection between such Holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, trust, partnership or corporation or any Person other than the Holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and Australia or any other Taxing Jurisdiction in which such Member Guarantor is organized, other than the mere holding of the relevant Note with the benefit of this Deed of Guarantee or the receipt of payments thereunder or hereunder, including, without limitation, such Holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for such Member Guarantor, after the date that such Member Guarantor so became a Member Guarantor, changing its jurisdiction of organization to the Taxing Jurisdiction imposing the relevant Tax;

(d) any Tax that would not have been imposed but for the delay or failure by such Holder (following a written request by any Member Guarantor) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such Holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such Holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such Holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such Holder, and provided further that such Holder shall be deemed to have satisfied the requirements of this clause (d) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of any Member Guarantor no later than 45 days after receipt by such Holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(e) any combination of clauses (a), (b), (c) and (d) above;

and provided further that in no event shall any Member Guarantor be obligated to pay such additional amounts to any Holder (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that such Member Guarantor would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and such Member Guarantor shall have given timely notice of such law or interpretation to such Holder.

By acceptance of any Note with the benefit of this Deed of Guarantee, the relevant Holder agrees, subject to the limitations of clause (d) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by any Member Guarantor all such forms, certificates, documents and returns provided to such Holder by such Member Guarantor (collectively, together with instructions for completing the same, “**Forms**”) required to be filed by or on behalf of such Holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide any Member Guarantor with such information with respect to such Holder as such Member Guarantor may reasonably request in order to complete any such Forms, provided that nothing in this Section 4 shall require any Holder to provide information with respect to any such Form or otherwise if in the opinion of such Holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such Holder, and provided further that each such Holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such Holder to the relevant Member Guarantor or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of any Member Guarantor (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

In connection with the transfer of any Note, the relevant Member Guarantors will furnish the transferee of such Note with copies of any Form then required pursuant to the preceding paragraph of this Section 4.

If any payment is made by any Member Guarantor to or for the account of any Holder after deduction for or on account of any Taxes, and increased payments are made by such Member Guarantor pursuant to this Section 4, then, if such Holder has received or been granted a refund of such Taxes, such Holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to such Member Guarantor such amount as such Holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of any Holder to arrange its tax affairs in whatever manner it thinks fit and, in particular, no Holder shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (d) above) oblige any Holder to disclose any information relating to its tax affairs or any computations in respect thereof.

The relevant Member Guarantor will furnish the Holders, promptly and in any event within 60 days after the date of any payment by such Member Guarantor of any Tax in respect of any amounts paid under this Deed of Guarantee the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of such Member Guarantor, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any Holder.

If any Member Guarantor is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which such Member Guarantor would be required to pay any additional amount under this Section 4, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against any Holder, and such Holder pays such liability, then such Member Guarantor will promptly reimburse such Holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by such Member Guarantor) upon demand by such Holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If any Member Guarantor makes payment to or for the account of any Holder and such Holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such Holder shall, as soon as practicable after receiving written request from such Member Guarantor (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by such Member Guarantor, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Member Guarantors under this Section 4 shall survive the payment or transfer of any Note and the provisions of this Section 4 shall also apply to successive transferees of the Notes.

Section 5. Miscellaneous.

5.01 Amendments, Etc. This Deed of Guarantee may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Member Guarantor and the Required Holders, except that no such amendment or waiver may, without the written consent of each Holder affected thereby, amend any of Section 2.01, 2.02, 4, this Section 5.01 or Section 5.04.

5.02 Notices. All notices and communications provided for hereunder shall be in writing and sent as provided in Section 20 of the Note and Guarantee Agreement (i) if to any Holder, to the address (whether electronic or physical) specified for such Holder in the Note and Guarantee Agreement and (ii) if to any Member Guarantor, to the address for such Member Guarantor set forth in Annex I hereto.

5.03 Jurisdiction and Process; Waiver of Jury Trial.

(a) Each Member Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Deed of Guarantee or any other document executed in connection herewith. To the fullest extent permitted by applicable law, each Member Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Member Guarantor agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 5.03(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each Member Guarantor consents to process being served by or on behalf of any Holder in any suit, action or proceeding of the nature referred to in Section 5.03(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 5.02, to National Registered Agents, Inc., at 875 Avenue of the Americas, Suite 501, New York, New York, 10001, as its agent for the purpose of accepting service of any process in the United States. Each Member Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 5.03 shall affect the right of any Holder to serve process in any manner permitted by law, or limit any right that the Holders may have to bring proceedings against any Member Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each Member Guarantor hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) EACH MEMBER GUARANTOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS DEED OF GUARANTEE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

5.04 Obligation to Make Payment in Dollars. Any payment on account of an amount that is payable by any Member Guarantor under this Deed of Guarantee in Dollars which is made to or for the account of any Holder in any other currency shall constitute a discharge of the obligation of such Member Guarantor under this Deed of Guarantee only to the extent of the amount of Dollars which such Holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such Holder from any Member Guarantor, such Member Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such Holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Deed of Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such Holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order. As used herein the term “**London Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

5.05 Successors and Assigns. All covenants and other agreements of each of the Member Guarantors in this Deed of Guarantee shall bind its respective successors and assigns and shall inure to the benefit of the Holders and their respective successors and assigns.

5.06 Severability. Any provision of this Deed of Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

5.07 Termination. Notwithstanding anything to the contrary contained herein, upon any notice by the Company with respect to any Member Guarantor as provided in, and satisfying the requirements of, Section 9.8(f) of the Note and Guarantee Agreement, such Member Guarantor shall be automatically released from this Deed of Guarantee and this Deed of Guarantee shall be of no further force and effect with respect to such Member Guarantor as at the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any Holder or any other Person.

5.08 Additional Member Guarantors. One or more additional Members may become party to this Deed of Guarantee by executing and delivering to each holder an Accession Deed in the form of Annex II hereto, in which case each such Member shall, from and after the date of the execution and delivery of such Accession Deed, be for all purposes a “Member Guarantor” hereunder, and each such Member Guarantor shall be deemed to have made the representations and warranties in Section 3 hereof to each holder as of such date.

5.09 Shareholder Ratification. Each Member Guarantor that is a shareholder of another Member Guarantor hereby ratifies and confirms the entry by such other Member Guarantor into, and the performance by such other Member Guarantor of all of its obligations under, this Deed of Guarantee.

5.10 Deed Poll. This Deed of Guarantee shall take effect as a Deed Poll for the benefit of the Holders from time to time and for the time being.

5.11 Taxes. The Member Guarantors will pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Deed of Guarantee in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, this Deed of Guarantee, and will save each Holder to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Member Guarantors hereunder.

5.12 Governing Law. This Deed of Guarantee shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

5.13 Counterparts. This Deed of Guarantee may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

EXECUTED AS A DEED by the Member Guarantors as of the day and year first above written.

Member Guarantors

Name

Place of Incorporation

Address

[Form of Accession Deed]

ACCESSION DEED

THIS DEED POLL is made on [insert date] by [insert name of Member Guarantor] (ABN [insert ABN]) (incorporated in [insert name of jurisdiction]) of [insert address of Member Guarantor] ("**Member Guarantor**").

RECITALS:

- A. Under a Deed of Guarantee ("**Deed of Guarantee**") dated September 24, 2009 executed by each Initial Member Guarantor in favour of each person who is from time to time a holder ("**Holder**") of one or more of any of the (i) U.S.\$31,000,000 5.04% Series A Guaranteed Senior Secured Notes due 2014, (ii) U.S.\$74,000,000 5.83% Series B Guaranteed Senior Secured Notes due 2016 and (iii) U.S.\$75,000,000 6.20% Series C Guaranteed Senior Secured Notes due 2019, in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia ("**FOXTEL Management**"), in its own capacity (in such capacity, the "**Company**"), pursuant to the Note and Guarantee Agreement dated as of September 24, 2009, among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) ("**Sky Cable**"), Telstra Media Pty Limited (ABN 72 069 799 640) ("**Telstra Media**" and, together with Sky Cable, the "**Partners**"), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership, and each of the purchasers listed in Schedule A attached thereto, a person may become a Member Guarantor by execution of this deed poll.
- B. The Member Guarantor wishes to guarantee to each Holder the Guaranteed Obligations and to become a Member Guarantor.

THIS DEED POLL WITNESSES as follows:

1. Definitions and interpretation

- (a) In this deed poll words and phrases defined in the Deed of Guarantee have the same meaning.

(b) In this deed poll:

“Additional Member Guarantor” means any person that has become a Member Guarantor (since the date of execution of the Deed of Guarantee) by execution of an Accession Deed;

“Existing Member Guarantor” means an Initial Member Guarantor or an Additional Member Guarantor and which, in either case, has not been released from the Deed of Guarantee;

“Guaranteed Obligations” has the same meaning as in the Deed of Guarantee;

“Holder” has the meaning given in Recital A above; and

“Initial Member Guarantor” means each Person that shall have initially executed and delivered the Deed of Guarantee.

(c) In this deed poll:

(1) A reference to the Deed of Guarantee includes all amendments or supplements to, or replacements or novations of, either of them; and

(2) a reference to a Holder includes its successors and permitted assigns.

2. Guarantee

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Member Guarantor hereby jointly and severally with each Existing Member Guarantor absolutely, irrevocably and unconditionally guarantees to each Holder the due and punctual payment and performance of the Guaranteed Obligations.

3. Representations and Warranties

The Member Guarantor represents and warrants as set out in Section 3 of the Deed of Guarantee.

4. Status of Guarantor

The Member Guarantor agrees that it hereby becomes a “Member Guarantor” as defined in, and for all purposes under, the Deed of Guarantee as if named in and as a party to the Deed of Guarantee, and accordingly is bound by the Deed of Guarantee as a Member Guarantor.

5. Benefit of deed poll

This deed poll is given in favour of and for the benefit of:

(a) each Holder; and

(b) each Existing Member Guarantor;

and their respective successors and permitted assigns.

6. Address for notices

The details for the Member Guarantor for service of notices are:

Email:

Address:

Attention:

Facsimile:

7. Jurisdiction and process

The provisions of Section 5.03 of the Deed of Guarantee shall apply, *mutatis mutandis*, to this deed poll as if set out in full.

8. Governing law and jurisdiction

This deed poll shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

EXECUTED as a deed poll:

SIGNED and DELIVERED

for **[INSERT NAME OF MEMBER GUARANTOR]**

by its attorney:

Attorney

Name (please print)

[FORM OF QP TRANSFER CERTIFICATE]**QP TRANSFER CERTIFICATE**

Reference is made to the Note and Guarantee Agreement dated as of September 24, 2009 (as from time to time amended, the **“Note and Guarantee Agreement”**), between FOXTEL Management Pty Limited (ABN 65 068 671 938), a company registered under the laws of Australia (**“FOXTEL Management”**), in its own capacity (in such capacity, the **“Company”**), Sky Cable Pty Limited (ABN 14 069 799 640) (**“Sky Cable”**), Telstra Media Pty Limited (ABN 72 069 799 640) (**“Telstra Media”** and, together with Sky Cable, the **“Partners”**), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the **“Guarantor”** and, the Guarantor, together with the Company, collectively, the **“Obligor”**), and the purchasers listed in Schedule A thereto.

Capitalized terms used in this QP Transfer Certificate but not defined herein are used as defined in the Note and Guarantee Agreement.

The undersigned transferee of Notes hereby represents and warrants to the Obligor as follows:

(1) The undersigned [circle either clause (a) or clause (b) below]:

(a) is not a “U.S. person”, as defined in Rule 902(k) under the United States Securities Act of 1933, as amended; **or**

(b) is a “qualified purchaser”, as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder; and

(2) The undersigned will not offer, sell, pledge or otherwise transfer any Note unless the transferee thereof delivers a QP Transfer Certificate to the Obligor, as set forth in Section 15.2 of the Note and Guarantee Agreement.

[INSERT NAME OF TRANSFEREE]

By: _____

Name: _____

Title: _____

Dated: _____

SUBSTITUTE POST-SECURITY RELEASE DATE PROVISIONS**(A) Section 7.2(a):**

(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Obligor and the Partners, as the case may be, were in compliance with the requirements of Sections 10.5 through 10.8 hereof, inclusive, during the interim or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); provided that, (i) if neither the Obligor nor any Member, as the context requires, has been party to a Disposition during the relevant period covered by such certificate, then such certificate shall state such fact and information and calculations with respect to Section 10.5 shall not be included in such certificate, (ii) if all outstanding Indebtedness of each Member (other than the Obligor and any Member Guarantor) as of the last day of the relevant period covered by such certificate is permitted under clauses (i) through (v) of Section 10.6(a), then such certificate shall state such fact and information and calculations with respect to Section 10.6(a)(vi) need not be included in such certificate, and (iii) if all Liens on property and assets of the Obligor and any Member as of the last day of the relevant period covered by such certificate are permitted under clauses (i) through (vii) of Section 10.6(b), then such certificate shall state such fact and information and calculations with respect to Section 10.6(b)(viii) need not be included in such certificate; and

(B) Section 10.5:**10.5. Sale of Assets.**

The Obligor will not, and the Obligor will not permit any Member to, sell, transfer, or otherwise dispose (collectively, a “Disposition”) of any of their properties or assets, except:

- (a) Dispositions constituting the creation of a Lien not prohibited under Section 10.6(b);
- (b) Dispositions to the Obligor or any Member Guarantor; provided, that, if the properties or assets subject to any such Disposition were subject to a Security prior to such Disposition, such properties or assets remain subject to a Security;
- (c) Dispositions of property or assets in exchange for other properties or assets of comparable value and utility;
- (d) Dispositions of worn out, obsolete or redundant property or assets;

(e) Dispositions on arms length terms of property or assets not required for the efficient operation of the Business; and

(f) other Dispositions, provided that any such Disposition is for fair market value and (i) the aggregate book value of the properties and assets subject to all such Dispositions pursuant to this clause (f) during any fiscal year of the FOXTEL Group does not exceed 10% of Total Assets as at the end of the immediately preceding fiscal year of the FOXTEL Group (the “**Disposition Cap**”) or (ii) within 365 days after any such Disposition or portion thereof that would cause the Disposition Cap to be exceeded, the net after-tax proceeds of such Disposition (or relevant portion thereof, as the case may be) are used to (x) purchase productive assets for use by the Obligor or any Member Guarantor in the Business or (y) repay or prepay any unsubordinated Indebtedness of the Obligor or any Member Guarantor or any Indebtedness of any Member that is not a Member Guarantor (other than Indebtedness owing to the Obligor, a Member or a Partner); provided that, the Obligor has, on or prior to the application of any net after-tax proceeds to the repayment or prepayment of any Indebtedness pursuant to the foregoing clause (y), (1) offered to prepay the Notes with such net after- tax proceeds (in whole or, if the aggregate outstanding principal amount of the Notes at such time exceeds such net- after tax proceeds, in part) in accordance with Section 8.5 or (2) offered to prepay the Notes *pro rata* with all such Indebtedness in accordance with Section 8.5, whereby the aggregate principal amount of the Notes subject to such offer of prepayment shall be equal to the product of (A) the net after-tax proceeds being so applied and (B) a fraction, the numerator of which is the aggregate outstanding principal amount of the Notes at such time and the denominator of which is the aggregate outstanding principal amount of Indebtedness (including the Notes) receiving any repayment or prepayment (or offer thereof) pursuant to the foregoing clause (y); and provided further, that for purposes of this Section 10.5, “**net after-tax proceeds**” shall mean the gross proceeds from such Disposition net of any taxes, costs and expenses associated therewith.

Any Disposition of shares of stock of any Member shall, for purposes of this Section 10.5, be valued at an amount that bears the same proportion to the total assets of such Member as the number of such shares bears to the total number of shares of stock of such Member.

Upon the Disposition in accordance with this Section 10.5 of any properties or assets constituting Secured Property, subject to any requirements of this Section 10.5 that such Secured Property continue to be subject to a Security and further subject to there not existing at such time any Default or Event of Default, the holders of Notes consent to such Secured Property being released from each Security to which it is subject and shall take those actions (at no cost or expense to such holders) reasonably requested by any Transaction Party or the Security Trustee necessary to release such Secured Property from such Security.

(C) Section 10.6:

10.6. Member Indebtedness; Liens.

(a) The Obligor will not permit any Member (other than the Obligor) to create, assume, incur or guaranty or otherwise be or become liable in respect of any Indebtedness, other than:

(i) Indebtedness secured by Liens of any Member permitted pursuant to Section 10.6(b)(vi) or, to the extent applicable to a Lien incurred pursuant to Section 10.6(b)(vi), Section 10.6(b)(vii);

(ii) Indebtedness of any Member Guarantor;

(iii) Indebtedness owing to the Obligor or to any other Member;

(iv) Indebtedness of each Person that becomes a Member or that merges into or consolidates with the Obligor or any Member, and which Indebtedness (x) was outstanding on the date that such Person so becomes a Member or merges into or consolidates with either Obligor or any Member and (y) was not incurred in contemplation of such Person becoming a Member or merging into or consolidating with the Obligor or any Member;

(v) any extension, renewal or refunding of any Indebtedness permitted pursuant to clause (a)(i) or (iv) above, provided that the principal amount of such Indebtedness is not increased; and

(vi) Indebtedness incurred by any Member in addition to Indebtedness described in clauses (a)(i) through (v) above, provided that immediately after giving effect thereto the sum (without duplication) of (i) the aggregate outstanding principal amount of all Indebtedness of all Members (other than Indebtedness excluded pursuant to any of clauses (a)(i) through (v) above) plus (ii) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to Section 10.6(b)(viii), shall not exceed 10% of Total Assets at such time.

(b) The Obligor will not, and will not permit any Member to, create, permit or suffer to exist any Lien over all or any property or assets, whether now owned or hereafter acquired, of the Obligor or any Member Guarantor, except for:

(i) a Security;

(ii) Liens of any Member (other than the Obligor or any Member Guarantor) in favor of the Obligor or any other Member and Liens of the Obligor or any Member Guarantor in favor of the Obligor or any Member Guarantor;

(iii) Liens in relation to Capital Leases over STUs and other similar technical equipment; provided, that the aggregate book value of the STUs and other similar technical equipment subject to such Capital Leases at any time does not exceed A\$ 175,000,000;

(iv) Liens arising by operation of law in the ordinary course of its ordinary business securing (A) an obligation that is not yet due or (B) if due but unpaid, Indebtedness which is being contested in good faith;

(v) Liens in relation to retention of title arrangements entered into in the ordinary course of its business for a period of not more than 120 days;

(vi) Liens (A) on property or assets acquired, constructed or improved by the Obligor or any Member after the date of Closing, or in rights relating to such property or assets, which Liens are created at the time of acquisition or completion of construction or improvement of such property or assets within 365 days thereafter, to secure Indebtedness assumed or incurred to finance all or any part of the purchase price of the acquisition or cost of construction or improvement of such property or assets, (B) on property or assets at the time of the acquisition thereof by the Obligor or any Member (and not incurred in anticipation thereof), and (C) on property or assets of a Person at the time that such Person becomes a Member, or the Obligor or any Member acquires or leases the properties or assets of such Person as an entirety or substantially as an entirety, or such Person merges into or consolidates with the Obligor or any Member (and in each case not incurred in anticipation thereof), provided that (x) in the case of the foregoing clause (A), the aggregate principal amount of Indebtedness secured by any such Lien in respect of any such property or assets shall not exceed the lower of the cost and the fair market value of such property (or rights relating thereto) and (y) in the case of the foregoing clauses (A), (B) and (C), no such Lien shall extend to or cover any other property or assets of the Obligor or any Member;

(vii) Liens incurred in connection with any extension, renewal, refinancing, replacement or refunding of any Liens (or related Indebtedness) permitted pursuant to clause (vi) above, provided that (A) the principal amount of Indebtedness secured thereby immediately before giving effect to such extension, renewal, refinancing, replacement or refunding is not increased and (B) such Lien is not extended to any other property of the Obligor or any Member; and

(viii) Liens securing Indebtedness of the Obligor or any Member in addition to those described in clauses (b)(i) through (vii) above, provided that immediately after giving effect thereto the sum (without duplication) of (i) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to this clause (b)(viii) plus (ii) the aggregate outstanding principal amount of all Indebtedness of all Members (other than Indebtedness excluded pursuant to any of clauses (i) through (v) of Section 10.6(a)), shall not exceed 10% of Total Assets at such time.

WAIVER, CONSENT AND AMENDMENT NUMBER 1

This **WAIVER, CONSENT AND AMENDMENT NUMBER 1** dated as of April 2, 2012 (this “**Agreement**”) is entered into by FOXTEL Management Pty Limited (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 279 027) (“**Telstra Media**” and, together with Sky Cable, each a “**Partner**” and collectively the “**Partners**”) and FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**” and, the Guarantor, together with the Company, collectively, the “**Obligor**”), each holder of Notes under, and as defined in, the below referenced Note Agreement, that is signatory to this Agreement and each Member Guarantor (as defined in the below referenced Note Agreement).

WITNESSETH

WHEREAS, reference is made to the Note and Guarantee Agreement dated as of September 24, 2009 (the “**Note Agreement**”), among the Obligor, the Partners and the Purchasers listed in Schedule A thereto, pursuant to which the Company issued U.S.\$180,000,000 of Guaranteed Senior Secured Notes;

WHEREAS, capitalized terms used in this Agreement but not defined herein are used as defined in the Note Agreement;

WHEREAS, FOXTEL Management has entered into definitive agreements with Liberty Global, Inc. to acquire all of the issued shares in AUSTAR United Communications Limited (“**AUSTAR**” and the “**Proposed Acquisition**”);

WHEREAS, in connection with the Proposed Acquisition, on or about 28 June 2011, FOXTEL Management as agent for the FOXTEL Partnership incorporated as Wholly-Owned Subsidiaries FOXTEL Holdings Pty Limited (ACN 151 690 327), a company registered under the laws of Australia, FOXTEL Finance Pty Limited (ACN 151 691 897), a company registered under the laws of Australia, and FOXTEL Australia Pty Limited (ACN 151 691 753), a company registered under the laws of Australia (collectively, the “**New Subsidiaries**”);

WHEREAS, pursuant to Section 9.8 of the Note Agreement, each Wholly-Owned Subsidiary is required to, among other things, become a Member Guarantor and to deliver to the Security Trustee a Security;

WHEREAS, by Accession Deed dated July 29, 2011, each New Subsidiary became party to the Deed of Guarantee dated as of September 24, 2009 under the Note Agreement and, as a result, became a Member Guarantor;

WHEREAS, the Obligor and the Partners note that (i) each New Subsidiary's assets consist solely of rights against third parties under the agreements entered into in connection with the Proposed Acquisition (in the case of FOXTEL Finance and FOXTEL Australia) and shares in FOXTEL Finance and FOXTEL Australia (in the case of FOXTEL Holdings), (ii) until implementation of the Proposed Acquisition, the foregoing rights will have negligible value and the Obligor intends to request the consent of the Majority Participants (as defined in the Security Trust Deed) to the discharge and release of all of the Securities, as permitted under the Security Trust Deed and as specifically contemplated under Section 24 of the Note Agreement and (iii) the grant of Security by each New Subsidiary will cause the Obligor and the holders of Notes to incur unnecessary costs and / or expend unnecessary time, given that the Security is in any event to be discharged;

WHEREAS, the Obligor and the Partners request that the Required Holders on behalf of the holders of Notes waive the requirements for each New Subsidiary to grant Security and to take other related actions as contemplated under Sections 9.8(c), (d) and (e) of the Note Agreement;

WHEREAS, FOXTEL Management intends to obtain a loan from Telstra, News Australia Pty Limited and CMH (each a "**Subordinated Creditor**") and collectively, the "**Subordinated Creditors**") in connection with the Proposed Acquisition, which loan is proposed to be subject to a subordination deed in the form attached as Exhibit A hereto (the "**Shareholder Loan Subordination Deed**"), and the Obligor and the Partners request that the Required Holders on behalf of the holders of Notes approve the form of the Shareholder Loan Subordination Deed and confirm that the Shareholder Loan Subordination Deed shall constitute a "Subordination Deed" for purposes of the Note Agreement and that all Indebtedness of any Member that is the subject thereof shall constitute "Subordinated Debt" for purposes of the Note Agreement; and

WHEREAS, the Obligor and the Partners request that the Required Holders on behalf of the holders of Notes agree to amend Section 10.8 of the Note Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and premises herein contained and other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Waiver. Effective as of the date of satisfaction of each condition precedent set forth in Section 6 below, each holder of Notes signatory hereto hereby waives (i) the requirements of Sections 9.8(c), (d) and (e) of the Note Agreement with respect to each New Subsidiary and (ii) any Default or Event of Default that may have occurred under Section 11(d) of the Note Agreement solely as a result of the requirements of Sections 9.8(c), (d) and (e) of the Note Agreement not being satisfied with respect to each New Subsidiary prior to the granting of such waiver; provided that, the waiver set forth in the foregoing clause (i) shall only be effective with respect to any New Subsidiary for so long as such New Subsidiary shall not have granted Security or taken any related action contemplated by Sections 9.8(c), (d) or (e) of the Note Agreement to or for the benefit of any creditor of any Member.

Section 2. Consent. Effective as of the date of satisfaction of each condition precedent set forth in Section 6 below, each holder of Notes signatory hereto hereby (i) approves the form of the Shareholder Loan Subordination Deed and (ii) acknowledges and agrees that the Shareholder Loan Subordination Deed shall constitute a “Subordination Deed” for purposes of the Note Agreement and that the Shareholder Debt (as defined in the Shareholder Loan Subordination Deed) of any Member shall constitute “Subordinated Debt” for purposes of the Note Agreement; provided that the foregoing approval, acknowledgment and agreement is conditional on the delivery by the Obligor to each holder of Notes of (a) an executed Senior Debt Nomination Letter (as defined in the Shareholder Loan Subordination Deed) in substantially the form attached hereto as Exhibit B and (b) an opinion letter in the form attached hereto as Exhibit C. For the avoidance of doubt, the above consent is limited solely to the Shareholder Debt (as defined in the Shareholder Loan Subordination Deed and set at a principal amount of A\$900,000,000 together with capitalized interest thereon) that the Subordinated Creditors have provided to the Company in connection with the Proposed Acquisition.

Section 3. Amendment of the Note Agreement. Effective as of the date of satisfaction of each condition precedent set forth in Section 6 below, Section 10.8 of the Note Agreement is hereby amended by inserting the following proviso immediately prior to the end thereof:

“; provided, that, for the purposes of this Section 10.8, if any Obligor or other Member acquires or disposes of any entity or business during any twelve month period ending on the last day of any fiscal quarter of the FOXTEL Group, EBITDA for such period shall be determined on a pro forma basis assuming that such acquisition or disposal had occurred as of the first day of such period”

Section 4. Representations and Warranties by the Obligor and the Partners. The Obligor represents and warrants as set forth below and each Partner represents and warrants in respect of itself as set forth in Sections 4.01, 4.02 and 4.03, that:

4.01. Organization; Power and Authority. The Obligor and each Partner is a corporation or partnership, as the case may be, duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation or partnership and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Obligor and each Partner has the corporate power and authority to execute and deliver this Agreement and to perform the provisions of this Agreement and the Note Agreement as modified hereby (the “**Amended Note Agreement**”).

4.02. Authorization. This Agreement has been duly authorized by all necessary corporate action on the part of the Obligor or such Partner, as the case may be, and this Agreement and the Amended Note Agreement constitute a legal, valid and binding obligation of the Obligor or such Partner, as the case may be, enforceable against the Obligor or such Partner, as the case may be, in accordance with its terms, in each case, as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.03. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Obligor and each Partner of this Agreement and the Amended Note Agreement will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of any Transaction Party under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, partnership agreement, memorandum and articles of association, regulations or by-laws or other organizational document, or any other agreement or instrument to which any Transaction Party or any other Member is bound or by which any Transaction Party or any other Member or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to any Transaction Party or any other Member or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to any Transaction Party or any other Member.

4.04. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligor or either Partner of this Agreement or the performance of the Amended Note Agreement.

4.05. No Default. After giving effect to the waivers provided for herein, no Default or Event of Default has occurred and is continuing.

4.06. Shareholder Loan Subordination Deed. The Shareholder Debt (as defined in the Shareholder Loan Subordination Deed) shall not be subordinated to any existing or proposed senior indebtedness of the FOXTEL Group other than pursuant to the terms of the Shareholder Loan Subordination Deed.

Section 5. Representations and Warranties by the Holders of Notes. Each holder of Notes signatory hereto severally represents and warrants that, as of the date hereof, such holder (i) either (A) is the sole legal and beneficial owner of the principal amount of Notes set forth below such holder's name on its signature page hereto or (B) has investment or voting discretion with respect to such Notes and has the power and authority to bind the beneficial owner(s) of such Notes to the terms of this Agreement; and (ii) has full power and authority to vote on and consent to matters concerning such Notes.

Section 6. Condition to Effectiveness. This Agreement shall become effective as of the date hereof when all of the following conditions precedent shall have been fulfilled:

6.01. Execution and Delivery. This Agreement shall have been duly executed and delivered by the Obligor, the Partners, the Member Guarantors and the Required Holders.

6.02. Rating. The Company's private credit rating for senior secured debt assigned by Fitch Australia Pty Ltd ("**Fitch**") shall have been confirmed by Fitch at "BBB+" after Fitch's review of the Shareholder Loan Agreement (as defined in the Shareholder Loan Subordination Deed) and Shareholder Loan Subordination Deed.

6.03. Fee. The Obligor shall have paid, or caused to be paid, to each holder of a Note, a fee equal to 0.10% of the aggregate principal amount of the Notes held by such holder as of the date of this Agreement.

6.04. Fees and Expenses. The Obligor shall have paid, or caused to be paid, all reasonable fees and expenses of each of Chapman and Cutler LLP and Minter Ellison, special counsel to the holders of Notes, relating to the transactions contemplated hereby.

Section 7. Miscellaneous.

7.01. Ratification of Note Agreement; Note Agreement Unchanged. The Note Agreement is in all respects ratified and confirmed, and the terms, covenants and agreements thereof shall remain unchanged and in full force and effect except as otherwise set forth in this Agreement.

7.02. Affirmation of Member Guarantors. Each Member Guarantor hereby acknowledges and agrees to this Agreement and the transactions contemplated hereby and reaffirms in its entirety the Member Guarantee to which it is party and all obligations thereunder.

7.03. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

7.04. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the law of a jurisdiction other than such State.

[Remainder of page intentionally blank.]

If you are in agreement with the foregoing, please sign the form of acceptance in the space provided below whereupon, after execution by the Required Holders, this Agreement shall become a binding agreement among the Obligor, the Partners and the holders of Notes.

Very truly yours,

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED**, in its own capacity:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED**, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Executed in accordance with section 127 of the *Corporations Act 2001* by **SKY CABLE PTY LIMITED:**

/s/ Ian Philip
Director Signature
Ian Philip
Print Name

/s/ Stephen Rue
Director Signature
Stephen Rue
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

Signed Sealed and Delivered for
TELSTRA MEDIA PTY LIMITED by
its attorney in the presence of:

/s/ Adrienne Lyle
Witness Signature

ADRIENNE LYLE
Print Name

/s/ Adrienne Lyle
Witness Signature

ADRIENNE LYLE
Print Name

/s/ Clifford B. Davis
Attorney Signature

CLIFFORD B. DAVIS
Print Name

/s/ S. Bailey
Attorney Signature

S. BAILEY
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
CUSTOMER SERVICES PTY LIMITED:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
FOXTEL CABLE TELEVISION PTY LIMITED:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127 of the *Corporations
Act 2001* by **ARTIST SERVICES CABLE MANAGEMENT
PTY LIMITED:**

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127 of the *Corporations
Act 2001* by **THE RACING CHANNEL CABLE-TV PTY
LIMITED:**

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127 of the *Corporations
Act 2001* by **FOXTEL HOLDINGS PTY LIMITED:**

/s/ Peter Tonagh
Director Signature

/s/ Lynette Ireland
Secretary signature

PETER TONAGH
Print Name CHIEF OPERATING OFFICER

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127 of the *Corporations
Act 2001* by **FOXTEL FINANCE PTY LIMITED:**

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY ACKNOWLEDGED
AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

Executed in accordance with section 127 of the *Corporations
Act 2001* by **FOXTEL AUSTRALIA PTY LIMITED:**

/s/ Peter Tonagh
Director Signature

PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Waiver, Consent and Amendment No. 1
FOXTEL

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

**THE LINCOLN NATIONAL LIFE INSURANCE
COMPANY**

By: Delaware Investment Advisers,
a series of Delaware Management Business
Trust, Attorney in Fact

By: /s/ Frank LaTorraca

Name: Frank LaTorraca

Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$6,000,000.00

Series C Notes: U.S.\$13,000,000.00

[Waiver, Consent and Amendment Number 1]

Foxtel

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

**ING LIFE INSURANCE AND ANNUITY
COMPANY**

By: ING Investment Management LLC, as Agent

By: /s/ Fitzhugh L. Wickham

Name: Fitzhugh L. Wickham

Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$10,000,000

Series B Notes: U.S.\$9,000,000

Series C Notes: U.S.\$0

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

AVIVA LIFE AND ANNUITY COMPANY
(Successor in interest to American Investors Life Insurance Company)

By: Aviva Investors North America, Inc.,
its authorized attorney-in-fact

By: /s/ Roger D. Fors
Name: Roger D. Fors
Title: VP-Private Fixed Income

Principal amount of Notes
Series B Notes: U.S.\$5,000,000
Series C Notes: U.S.\$12,000,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

C.M. LIFE INSURANCE COMPANY

By: Babson Capital Management LLC as Investment Adviser

By: /s/ John B. Wheeler
Name: John B. Wheeler
Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Babson Capital Management LLC as Investment Adviser

By: /s/ John B. Wheeler
Name: John B. Wheeler
Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

By: Provident Investment Management, LLC
Its: Agent

By: /s/ Ben Vance
Name: Ben Vance
Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$8,000,000
Series C Notes: U.S.\$ _____

UNUM LIFE INSURANCE COMPANY OF AMERICA

By: Provident Investment Management, LLC
Its: Agent

By: /s/ Ben Vance
Name: Ben Vance
Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$8,500,000
Series C Notes: U.S.\$ _____

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Gwendolyn S. Foster
Name: Gwendolyn S. Foster
Title: Senior Director

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$14,000,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

**JACKSON NATIONAL LIFE INSURANCE
COMPANY**

By: PPM America, Inc., as attorney in fact,
on behalf of Jackson National Life Insurance
Company

By: /s/ Brian B. Manczak
Name: Brian B. Manczak
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ \$12,000,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: Cigna Investment, Inc. (authorized agent)

By: /s/ Robert W. Eccles

Name: Robert W. Eccles

Title: Senior Managing Director

Principal amount of Notes

Series A Notes: U.S.\$0

Series B Notes: U.S.\$4,000,000

Series C Notes: U.S.\$2,000,000

LIFE INSURANCE COMPANY OF NORTH AMERICA

By: Cigna Investment, Inc. (authorized agent)

By: /s/ Robert W. Eccles

Name: Robert W. Eccles

Title: Senior Managing Director

Principal amount of Notes

Series A Notes: U.S.\$0

Series B Notes: U.S.\$1,000,000

Series C Notes: U.S.\$3,000,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Colleen C. Cooney
Name: Colleen C. Cooney
Title: Corporate Vice President

Principal amount of Notes

Series A Notes: U.S.\$500,000.00

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: New York Life Investment Management LLC, Its Investment Manager

By: /s/ Colleen C. Cooney
Name: Colleen C. Cooney
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$9,500,000.00

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

MINNESOTA LIFE INSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: /s/ Gregory Ortquist

Name: Gregory Ortquist

Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$2,000,000.00

Series B Notes: U.S.\$2,000,000.00

Series C Notes: U.S.\$1,000,000.00

UNITED INSURANCE COMPANY OF AMERICA

By: Advantus Capital Management, Inc.

By: /s/ Gregory Ortquist

Name: Gregory Ortquist

Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$_____

Series B Notes: U.S.\$2,500,000.00

Series C Notes: U.S.\$1,000,000.00

THE LAFAYETTE LIFE INSURANCE COMPANY

By: _____

Name:

Title:

Principal amount of Notes

Series A Notes: U.S.\$_____

Series B Notes: U.S.\$_____

Series C Notes: U.S.\$_____

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

MINNESOTA LIFE INSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: _____
Name:
Title:

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

UNITED INSURANCE COMPANY OF AMERICA

By: Advantus Capital Management, Inc.

By: _____
Name:
Title:

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

THE LAFAYETTE LIFE INSURANCE COMPANY

By: /s/ James J. Vance
Name: James J. Vance
Title: Vice President

By: /s/ Deborah J. Vargo
Name: Deborah J. Vargo
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$500,000

Series C Notes: U.S.\$ _____

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Cathy Schwartz
Name: Cathy Schwartz
Title: Assistant Vice President

By: /s/ Diane W. Dales
Name: Diane W. Dales
Title: Assistant Secretary

Principal amount of Notes
Series A Notes: U.S.\$7,000,000.00
Series B Notes: U.S.\$ -0-
Series C Notes: U.S. \$ -0-

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

**CMFG LIFE INSURANCE COMPANY
(FKA CUNA MUTUAL INSURANCE SOCIETY)**

By: MEMBERS Capital Advisors, Inc.
acting as Investment Advisor

By: /s/ John Petchler
Name: John Petchler
Title: Director, Investments

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$3,500,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

**SOUTHERN FARM BUREAU LIFE
INSURANCE COMPANY**

By: /s/ David Divine
Name: David Divine
Title: Portfolio Manager

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$2,000,00

Series C Notes: U.S.\$1,500,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

**THE OHIO NATIONAL LIFE INSURANCE
COMPANY**

By: /s/ Jed R. Martin
Name: Jed R. Martin
Title: Vice President, Private Placements

Principal amount of Notes
Series B Notes: U.S.\$1,000,000

**OHIO NATIONAL LIFE ASSURANCE
CORPORATION**

By: /s/ Jed R. Martin
Name: Jed R. Martin
Title: Vice President, Private Placements

Principal amount of Notes
Series C Notes: U.S.\$1,000,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

PROASSURANCE CASUALTY COMPANY

By: Prime Advisors, Inc., Attorney-in-Fact

By: /s/ Scott Sell
Name: Scott Sell
Title: Vice President

Principal amount of Notes
Series A Notes: U.S.\$1,000,000
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

**PROASSURANCE INDEMNITY COMPANY,
INC.**

By: Prime Advisors, Inc., Attorney-in-Fact

By: /s/ Scott Sell
Name: Scott Sell
Title: Vice President

Principal amount of Notes
Series A Notes: U.S.\$1,000,000
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

PRIME REINSURANCE COMPANY, INC.

By: Conning, Inc., as Investment Manager

By: /s/ John H. DeMallie
Name: John H. DeMallie
Title: Director

Principal amount of Notes
Series B Notes: U.S.\$1,000,000

**SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA**

By: Conning, Inc., as Investment Manager

By: /s/ John H. DeMallie
Name: John H. DeMallie
Title: Director

Principal amount of Notes
Series C Notes: U.S.\$1,000,000

[Waiver, Consent and Amendment Number 1]

THE FOREGOING AGREEMENT IS HEREBY AGREED
TO AS OF THE DATE FIRST ABOVE WRITTEN:

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ [Signature Unclear]
Its: Authorized Representative

Principal amount of Notes

Series B Notes: U.S.\$16,000,000

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
FOR ITS GROUP ANNUITY SEPARATE ACCOUNT

By: /s/ [Signature Unclear]
Its: Authorized Representative

Principal amount of Notes

Series B Notes: U.S.\$1,000,000

[Waiver, Consent and Amendment Number 1]

EXHIBIT A

Shareholder Loan Subordination Deed

[Attached]

Subordination Deed Poll

Telstra Corporation Limited
News Australia Pty Limited
Consolidated Media Holdings Limited
FOXTEL Management Pty Limited

Allens Arthur Robinson
Level 28
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
Tel +61 2 9230 4000
Fax +61 2 9230 5333
www.aar.com.au

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Date 2012

Parties

1. **Telstra Corporation Limited** (ACN 051 775 556) of Level 41, Telstra Centre, 242 Exhibition Street, Melbourne, Victoria, 3000 (*Telstra*);
2. **News Australia Pty Limited** (ACN 007 910 330) of 2 Holt Street, Surry Hills, New South Wales, 2010 (*News*);
3. **Consolidated Media Holdings Limited** (ACN 009 071 167) of Level 2, 54 Park Street, Sydney, New South Wales, 2000 (*CMH*); and
4. **FOXTEL Management Pty Limited** (ACN 068 671 938) of 5 Thomas Holt Drive, North Ryde, New South Wales, 2113 in its own capacity (the *Borrower*).

Recitals

- A The Senior Lenders have or may from time to time provide financial accommodation to the Borrower.
- B The Subordinated Creditors may provide financial accommodation to the Borrower under the Subordinated Shareholder Loan Agreement.
- C The Subordinated Creditors and the Borrower enter into this Deed Poll for valuable consideration.
- D It is a condition to the obligation of the Senior Lenders to extend or continue extending financial accommodation to the Borrower that the Subordinated Creditors and the Borrower enter into this Deed Poll.

It is agreed as follows.

1. Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Accounting Standards means accounting standards, principles and practices applying by law or otherwise generally accepted, and consistently applied, in Australia.

Acquisition means the acquisition by the FOXTEL Agent (directly or indirectly) of 100% of the share capital of Austar or of a company of which Austar is a wholly owned subsidiary.

Artist Services means Artist Services Cable Management Pty Limited (ABN 97 072 725 289).

AUD means Australian dollars.

Austar means Austar United Communications Limited (ACN 087 695 707).

Authorisation means:

- (a) any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption; or
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.

Bill means a bill of exchange as defined in the *Bills of Exchange Act 1909* (Cth).

Business Day means a day on which banks are open for general banking business in Sydney and Melbourne (not being a Saturday, Sunday or public holiday in that place).

Calculation Date means the last day of each March, June, September and December.

Calculation Period means a 12 month period ending on a Calculation Date.

Customer Services means Customer Services Pty Limited (ACN 069 272 117).

EBITDA means, in respect of any period, the total amount of consolidated earnings before:

- (a) interest;
- (b) Tax;
- (c) depreciation and amortisation;
- (d) any amounts relating to the impairment of assets;
- (e) items of income or expense which are considered to be outside the ordinary course of business and are regarded as “exceptional items” or “significant items” (or another term in place of that term) in the accounts; and
- (f) fair value adjustments of financial derivatives that are not effective hedging instruments under the Accounting Standards.

Drawdown Date means the date on which any Shareholder Debt is first provided under the Subordinated Shareholder Loan Agreement.

Event of Default means an Event of Default as defined in any Senior Debt Document.

Facility means the facility made available under the Subordinated Shareholder Loan Agreement.

Final Maturity Date means, the later of:

- (a) the date 10 years and 3 months after the Drawdown Date; and
- (b) the date 15 years and 3 months after the Drawdown Date or, if earlier, the date 3 months after the date on which the Borrower has repaid or prepaid in full the Senior Debt.

Finance Debt means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill of exchange, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) Guarantee;

- (d) Swap Agreement;
 - (e) finance or capital lease;
 - (f) agreement for the deferral (of at least 120 days) of a purchase price or other payment in relation to the acquisition of any asset or service;
 - (g) obligation to deliver goods or provide services paid for in advance by any financier; or
 - (h) agreement for the payment of capital or premium on the redemption of any preference shares;
- and irrespective of whether the debt or liability:
- (i) is present or future;
 - (j) is actual, prospective, contingent or otherwise;
 - (k) is at any time ascertained or unascertained;
 - (l) is owed or incurred alone or severally or jointly or both with any other person; or
 - (m) comprises any combination of the above.

FOXTEL Agent means FOXTEL Management Pty Limited as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership.

FOXTEL Cable means FOXTEL Cable Television Pty Limited (ACN 069 008 797).

FOXTEL Group means:

- (a) the FOXTEL Partnership;
- (b) the FOXTEL Television Partnership;
- (c) FOXTEL Management Pty Limited, in its own capacity, as FOXTEL Agent and as agent for the FOXTEL Television Partnership;
- (d) FOXTEL Cable;
- (e) Customer Services;
- (f) Artist Services;
- (g) Racing Channel; and
- (h) each wholly-owned subsidiary of each of the entities described at paragraphs (a) to (g) above.

FOXTEL Partnership means the partnership constituted by the FOXTEL Partnership Agreement.

FOXTEL Partnership Agreement means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and the Borrower as amended by the deed dated 21 November 2002 between the Borrower, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, CMH (formerly Publishing and Broadcasting Limited), PBL, each Partner, Telstra, Telstra Multimedia and News.

FOXTEL Television Partnership means the partnership constituted by the FOXTEL Television Partnership Agreement.

FOXTEL Television Partnership Agreement means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and FOXTEL Cable as amended by the deed dated 21 November 2002 between the Borrower, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, CMH, PBL, each Partner, Telstra, Telstra Multimedia and News.

Government Agency means any government or any governmental, semi governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

GST means the goods and services tax levied under the GST Act.

GST Act means a *New Tax System (Goods and Services Tax) Act 1999* (Cth).

Guarantee means any guarantee, suretyship, letter of credit, letter of comfort or any other obligation:

- (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;
- (b) to indemnify any person against the consequences of default in the payment of; or
- (c) to be responsible for,

any debt or monetary liability of another person or to assume any responsibility or obligation in respect of the insolvency or the financial condition of any other person.

Interest Cover Ratio means, in respect of any period ending on a Calculation Date, the ratio of A:B where:

“A” is EBITDA of the FOXTEL Group for that period; and

“B” is Interest Service of the FOXTEL Group for that period.

Interest Expenses means interest and amounts in the nature of, or having a similar purpose or effect to, interest and includes:

- (a) discount on a Bill or other instrument;
- (b) fees and amounts incurred on a regular or recurring basis, such as line fees; and
- (c) capitalised amounts of the same or similar name to the foregoing.

Interest Payment Date means the last Business Day of each financial year.

Interest Service means, in respect of any period, without double counting:

- (a) the aggregate amount of all Interest Expenses, rentals, any other recurrent payments of a similar nature (including gross-ups and increased cost payments) and any other recurring fees, costs and expenses paid during that period, in each case under or in relation to any Finance Debt of any member of the FOXTEL Group which shall not include any such payments in respect of transactions between any 2 members of the FOXTEL Group;

plus or minus

- (b) the net amount of any difference between payments by or to the Borrower under the Swap Agreements relating to interest rates during that period.

Liquidation includes administration, compromise, winding up, dissolution, assignment for the benefit of creditors, creditors scheme, composition or arrangement with creditors, insolvency, liquidation, moratorium or any similar procedure.

Majority Senior Lenders means the Senior Lenders whose aggregate Senior Debt is more than 66 ⅔% of the Total Senior Debt.

Maturity Date has the meaning given to that term in the Subordinated Shareholder Loan Agreement.

Partner means:

- (a) Sky Cable; or
- (b) Telstra Media.

PBL means PBL Pay TV Pty Limited (ACN 084 940 367).

Potential Event of Default means any thing which would become an Event of Default on the giving of notice (whether or not notice is actually given), the expiration of time or any combination of the above.

Principal Outstanding has the meaning given to that term in the Subordinated Shareholder Loan Agreement.

Pro-Rata Proportion means, in relation to a Senior Lender, the proportion which the total of its Senior Debt bears to the Total Senior Debt.

Racing Channel means The Racing Channel Cable TV Pty Limited (ABN 91 069 619 307).

Related Body Corporate means a “related body corporate” as that expression is defined in section 50 of the Corporations Act.

Satisfaction Date means the date all Senior Debt has been fully and finally paid (provided that the Borrower is solvent when any payment is made, and remains solvent immediately after the payment is made) and any Senior Commitments have been cancelled.

Scheme means the proposed scheme of arrangement in connection with the acquisition of shares in Austar.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes any agreement to grant or create any of the above.

For the avoidance of doubt, it excludes an interest that is a “security interest” for the purposes of section 12(3) of the *Personal Property Securities Act 2009* (Cth) if that interest does not in substance secure payment of money or performance of an obligation.

Senior Commitment means any commitment of a Senior Lender nominated as a “Senior Commitment” under a Senior Debt Nomination Letter.

Senior Debt means all debts and monetary liabilities of the Borrower to a Senior Lender under or in relation to any Senior Debt Document.

Senior Debt Document means:

- (a) this Deed Poll;

- (b) each Senior Debt Nomination Letter; and
- (c) each document which is nominated as a “Senior Debt Document” under a Senior Debt Nomination Letter.

Senior Debt Nomination Letter means in relation to a Senior Lender, a letter substantially in the form annexed to this Deed Poll.

Senior Finance Party means each Senior Lender Representative and each Senior Lender.

Senior Lender means each party nominated as “Senior Lender” under a Senior Debt Nomination Letter.

Senior Lender Representative means each party or parties nominated as a “Senior Lender Representative” under a Senior Debt Nomination Letter.

Shareholder Debt means all present or future indebtedness of the Borrower to any Subordinated Creditor directly or indirectly in respect of a loan of AUD900 million provided to the Borrower by the Subordinated Creditors under the Subordinated Shareholder Loan Agreement, including all amounts by way of principal, interest, costs, fees, losses, damages, indemnity, charges and expenses which the Borrower is or at any time may become liable to pay to any Subordinated Creditor in respect of or in connection with that loan, whether or not currently contemplated.

Sky Cable means Sky Cable Pty Limited (ABN 14 069 799 640).

Subordinated Creditor means each of Telstra, News and CMH.

Subordinated Shareholder Loan Agreement means the document so entitled dated on or about the date of this Deed Poll between the Borrower and each Subordinated Creditor.

Swap Agreements means each interest rate or foreign exchange transaction, including any master agreement and any transaction or confirmation under it, entered into by a member of the FOXTEL Group.

Tax means:

- (a) any tax including the GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
- (b) any income, stamp or transaction duty, tax or charge,

which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.

TelstraMedia means Telstra Media Pty Limited (ABN 72 069 279 027).

Telstra Multimedia means Telstra Multimedia Pty Limited (ABN 82 069 279 072).

Total Senior Debt means, at any time, the aggregate Senior Debt of all Senior Lenders.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the converse.
- (b) A gender includes all genders.

- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, annexure or schedule is a reference to a clause of, or annexure or schedule to, this Deed Poll.
- (f) A reference to a party to this Deed Poll or another agreement or document includes the party's successors and permitted substitutes or assigns.
- (g) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (h) A reference to **writing** includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- (i) The meaning of terms is not limited by specific examples introduced by **including**, or **for example**, or similar expressions.
- (j) A reference to **conduct** includes an omission, statement or undertaking, whether or not in writing.
- (k) A reference to **receipt** or recovery includes receipt or recovery in money or other assets.
- (l) A reference to an **asset** includes any real or personal, present or future, tangible or intangible property or asset (including intellectual property) and any right, interest, revenue or benefit in, under or derived from the property or asset.
- (m) A reference to an amount for which a person is **contingently liable** includes an amount which that person may become actually or contingently liable to pay if a contingency occurs, whether or not that liability will actually arise.
- (n) A reference to **reduced** includes reduced to nil.
- (o) An agreement, representation or warranty by a Subordinated Creditor binds that Subordinated Creditor individually only.

1.3 Document or agreement

A reference to:

- (a) an **agreement** includes a Security Interest, Guarantee, undertaking, deed, agreement or legally enforceable arrangement whether or not in writing; and
- (b) a **document** includes an agreement (as so defined) in writing or a certificate, notice, instrument or document.

A reference to a specific agreement or document includes it as amended, novated, supplemented or replaced from time to time, except to the extent prohibited by this Deed Poll.

1.4 Inconsistency

- (a) This Deed Poll prevails if there is an inconsistency between it and any other document. This includes where a person cannot comply with both or where what is prohibited by one is permitted by the other.
- (b) This Deed Poll amends and is incorporated in the Subordinated Shareholder Loan Agreement. Any Shareholder Debt provided by any Subordinated Creditor to the Borrower after the date of this Deed Poll will be taken to have been provided on the terms in this Deed Poll.

1.5 Accounting Standards

- (a) Any accounting practice or concept relevant to this Deed Poll is to be construed or determined in accordance with the Accounting Standards.
- (b) If any changes after the date of this Deed Poll to Accounting Standards materially alter the calculation of the Interest Cover Ratio, the Borrower and the Subordinated Creditors will negotiate in good faith to agree with each Senior Lender Representative amendments to the Interest Cover Ratio and associated definitions so that they will have an effect comparable to that which the Interest Cover Ratio or related definitions would have had under current Accounting Standards before the adoption of the relevant change or changes to Accounting Standards.
- (c) If the amendments are not agreed within 30 days of the date on which such changes to Accounting Standards take effect (or any longer period agreed between the Borrower and each Senior Lender Representative) then the Borrower will provide any reconciliation statements (audited, where applicable) necessary to enable calculations based on Accounting Standards as they were before those changes and the changes will be ignored for the purposes of this Deed Poll.

1.6 Obligations several

The obligations of each Subordinated Creditor under this Deed Poll are several and no Subordinated Creditor shall be responsible for the obligations of any other Subordinated Creditor.

2. Subordination

2.1 Deed Poll

- (a) This Deed Poll is executed as a deed poll by the Subordinated Creditors and the Borrower in favour of the Senior Finance Parties from time to time. Each Senior Finance Party has the benefit of and may enforce this Deed Poll even though it is not a party to, or is not in existence at the time of execution and delivery of this Deed Poll, in relation to the Senior Debt to which that Senior Finance Party is entitled and each Senior Debt Document under which that Senior Finance Party has rights, benefits or obligations.
- (b) Each undertaking in this Deed Poll is made in favour of the Senior Finance Parties.

- (c) The benefit and obligations of this Deed Poll may be extended to any person (and such shall person shall become a Senior Finance Party) in relation to any other document (and such document shall become a Senior Debt Document), by the Borrower signing and delivering to that Senior Finance Party (or, if applicable, its Senior Lender Representative) a Senior Debt Nomination Letter. The Borrower may only nominate a document as a Senior Debt Document if the scheduled maturity or termination date of any debt provided under that document falls on or before the Final Maturity Date.
- (d) Each Subordinated Creditor irrevocably authorises the Borrower to sign and deliver a Senior Debt Nomination Letter nominating a document as Senior Debt Document, a commitment as a Senior Commitment, a party as a Senior Lender or a party as a Senior Lender Representative, and acknowledges and confirms that the benefit of this Deed Poll will extend to any such party.

2.2 General

The Shareholder Debt is subordinated to the Senior Debt in the manner set out in this Deed Poll. The Borrower shall only use the Shareholder Debt towards funding the Acquisition including the payment of funding costs associated with the Acquisition.

2.3 Shareholder Debt

- (a) Subject to clauses 3 and 4, except for the purpose of allowing interest or other amounts to accrue or be capitalised, no Shareholder Debt will be due and payable or recoverable until the Satisfaction Date.
- (b) Subject to clauses 3 and 4, the Borrower is not obliged to make and shall not make, whether directly or indirectly, any payment of or in reduction of the Shareholder Debt until the Satisfaction Date.

2.4 No Security Interest

Nothing in this Deed Poll creates a Security Interest.

3. Overall Limit on Enforcement Action and Payment

3.1 Subordinated Creditors

Subject to clause 4, without the prior written consent of each Senior Lender Representative, a Subordinated Creditor shall not:

- (a) **(accept payment)** unless expressly permitted by clause 3.3, require or accept payment or otherwise allow satisfaction or discharge of any Shareholder Debt;
- (b) **(exercise of rights or powers)** take any step to accelerate any Shareholder Debt or enforce or exercise any remedy with respect to any Shareholder Debt or any Guarantee or Security Interest held by it (or any person on its behalf) in relation to any Shareholder Debt;
- (c) **(Liquidation)** in connection with any Shareholder Debt, take any step for the purpose of or towards:
 - (i) levying any execution or obtaining any judgment against the Borrower; or
 - (ii) the appointment of a Liquidator of the Borrower;

- (d) **(vote)** in connection with any Shareholder Debt, vote in any meeting or other decision making body in relation to, or in any way seek to control or influence, the Liquidation of the Borrower;
- (e) **(proof)** in connection with any Shareholder Debt, prove or lodge any proof of debt in the Liquidation of the Borrower except as permitted under clause 4;
- (f) **(set-off)** subject to clause 3.3, exercise any right of set-off, deduction or combination of accounts or similar right or procedure in relation to any Shareholder Debt;
- (g) **(subrogation)** exercise any right of subrogation or contribution in respect of, or otherwise claim the benefit of, a Senior Debt Document; or
- (h) **(enforcement)** take any step to enforce a right or claim against the Borrower in respect of any payment to or benefit received by any Senior Lender under this Deed Poll,

until after the Satisfaction Date.

3.2 Borrower

Subject to clause 4, without the prior written consent of each Senior Lender Representative the Borrower shall not:

- (a) **(payment)** subject to clause 3.3, pay any Shareholder Debt;
- (b) **(set-off)** subject to clause 3.3, exercise any right of set-off, deduction or combination of accounts or similar right or procedure in relation to any Shareholder Debt;
- (c) **(acquisition)** acquire, directly or indirectly, any Shareholder Debt, or any interest in, or option over, any Shareholder Debt;
- (d) **(compromise)** compromise or settle any claim or proceeding in relation to any Shareholder Debt; or
- (e) **(action)** take or omit to take any action it is obliged to take whereby the ranking and subordination of the Shareholder Debt may be prejudiced or impaired,

until after the Satisfaction Date.

3.3 Permitted payments

- (a) **(Interest)** The Borrower may pay, and a Subordinated Creditor may require and accept payment of, interest on an Interest Payment Date only:
 - (i) if no Event of Default or Potential Event of Default subsists both before and immediately after payment of that amount;
 - (ii) to the extent that the Borrower would still comply with an Interest Cover Ratio of 3.75:1 for the Calculation Period ending on that date or, if that date is not a Calculation Date, the next Calculation Date after payment of that amount; and
 - (iii) if an internationally recognised rating agency confirms in writing that the Borrower has an investment grade credit rating and that such credit rating would be maintained notwithstanding such payment.

- (b) **(Payment out of proceeds of share issue)** The Borrower may pay any Shareholder Debt out of any money received by it in respect of partnership capital contributions after the date of the Subordinated Shareholder Loan Agreement.
- (c) **(Prepayment of Shareholder Debt)** The Borrower may prepay the Shareholder Debt in full if:
 - (i) the court makes a determination not to approve the Scheme (or the Scheme is not otherwise to be implemented);
 - (ii) the FOXTEL Group otherwise ceases to have an obligation to complete the Acquisition (other than as result of that completion actually occurring); or
 - (iii) the Acquisition has not completed on or before 30 June 2012 or such later date agreed by all the Subordinated Creditors.

4. Express Permission

Upon Liquidation of the Borrower (and subject to the subordination provisions of this Deed Poll):

- (a) the Shareholder Debt will be due and payable by and recoverable from the Borrower;
- (b) each Subordinated Creditor may prove in the Liquidation of the Borrower and shall prove in the Liquidation of the Borrower if:
 - (i) it determines that it will not prove in the Liquidation of the Borrower upon which it must promptly notify each Senior Lender (or its duly appointed representative) of such determination; and
 - (ii) it is directed to do so by the Majority Senior Lenders.

Each Subordinated Creditor shall promptly send to each Senior Lender (or its duly appointed representative):

- (iii) a copy of any notice of proof it has given; and
 - (iv) unless already provided to that Senior Lender (or its duly appointed representative), a copy of any notice from the liquidator of the Borrower requesting it to prove, vote or exercise any other right in respect of the Liquidation of the Borrower;
- (c) each Subordinated Creditor shall vote and exercise any other right in respect of the Liquidation of the Borrower in relation to the Shareholder Debt at the direction of the Majority Senior Lenders, provided that a Subordinated Creditor is not required to vote or exercise any right in accordance with any such direction if to do so would be likely to have an adverse effect on its right to receive (or the timing for it to receive) a payment or the amount of a payment in respect of the Shareholder Debt (other than to the extent necessary to give effect to the subordination provisions of this deed poll) and, in such circumstances, each Subordinated Creditor may vote and exercise any other right in respect of the Liquidation of the Borrower as it thinks fit in its absolute discretion;

- (d) each Subordinated Creditor:
 - (i) agrees that the liquidator of the Borrower must pay, and each Subordinated Creditor shall direct that the liquidator of the Borrower does pay, each Senior Lender its Pro-Rata Proportion of any dividend or any other payment in respect of the Shareholder Debt directly to the Senior Lenders for application to the payment of the Senior Debt until the Senior Debt has been paid in full (and thereafter the Senior Lenders must advise the liquidator that no further dividend or any other payment in respect of the Shareholder Debt is required to be paid in accordance with that direction);
 - (ii) consents to any Senior Lender producing a copy of this Deed Poll to the liquidator of the Borrower as evidence that the liquidator should make the payment referred to in clause 4(d)(i); and
 - (iii) agrees not to object to the liquidator of the Borrower making the payment referred to in clause 4(d)(i).
- (e) clause 5 applies to amounts received or recovered in that Liquidation.

5. Accounting for Proceeds

5.1 Accounting

If, before the Satisfaction Date, a Subordinated Creditor receives or recovers payment of any Shareholder Debt and that receipt or recovery is not expressly permitted by clause 3, that Subordinated Creditor shall promptly pay to each Senior Lender its Pro-Rata Proportion of an amount equal to the amount received or recovered (or, in the case of an asset other than cash, its value) until the Senior Debt has been paid in full.

5.2 Set-off

If, before the Satisfaction Date, the amount of the Shareholder Debt is reduced by any set-off, deduction or combination of accounts or similar right or procedure, the Subordinated Creditor whose debt was reduced shall promptly pay to each Senior Lenders its Pro-Rata Proportion of an amount equal to the amount by which the Shareholder Debt was so reduced until the Senior Debt has been paid in full.

6. No Prejudice

The right of the Senior Finance Parties to enforce any provision of this Deed Poll is not affected by:

- (a) any conduct of the Borrower;
- (b) any failure of the Borrower to comply with any term of this Deed Poll, any Senior Debt Document or the Subordinated Shareholder Loan Agreement;
- (c) any knowledge in relation to the Shareholder Debt that Senior Finance Party may have or be charged with;
- (d) any conduct in relation to the enforcement or failure to enforce any Senior Debt Document; or
- (e) the giving of any discharge, amendment, variation, consent or waiver.

This clause does not apply to any waiver or consent granted directly to the Borrower or a Subordinated Creditor by a Senior Finance Party.

7. Amendment

- (a) This Deed Poll may only be amended with the prior written consent of each Senior Lender Representative.
- (b) The Subordinated Shareholder Loan Agreement may not be amended in a manner which would adversely affect (including any amendment which would increase the amount or rate of interest or principal payable under the Subordinated Shareholder Loan Agreement or bring forward the timing for repayment of amounts owing under the Subordinated Shareholder Loan Agreement) any Senior Lender without the prior written consent of each Senior Lender Representative.
- (c) The Subordinated Creditors will provide each Senior Lender (or its duly appointed representative) with not less than 15 Business Days prior written notice of any proposed amendment to this Deed Poll or the Subordinated Shareholder Loan Agreement.

8. Assignments, Guarantees and Security Interests

8.1 Assignments of or Security Interests over Shareholder Debt

Subject to also complying with clause 8.4, no Subordinated Creditor shall:

- (a) assign or transfer; or
- (b) create or allow to exist a Security Interest over,
any of its interest or rights in or to the Shareholder Debt without the prior written consent of each Senior Lender Representative except:
 - (c) to a person who has first executed a deed in form and substance satisfactory to each Senior Lender Representative by which it undertakes to be bound by this Deed Poll as if it were a Subordinated Creditor;
 - (d) where an original executed copy of any such deed is provided to each Senior Lender (or its duly appointed representative); and
 - (e) in the case of an assignment or transfer, Telstra, News and CMH, or persons who they legally and beneficially own and control (directly or indirectly), either alone or together, are owed at least 60% of the Shareholder Debt.

8.2 Guarantees and Security Interests in respect of Shareholder Debt

- (a) The Borrower shall not create or allow to exist; and
- (b) no Subordinated Creditor shall require the provision of, and if held or provided shall immediately discharge or release, any Guarantee or Security Interest in respect of any Shareholder Debt.

8.3 Assignment by Borrower

The Borrower shall not assign or transfer or create or allow to exist a Security Interest over its rights or obligations under this Deed Poll without the prior written consent of each Senior Lender Representative.

8.4 Rights and Obligations

Without the prior written consent of each other Subordinated Creditor, no Subordinated Creditor may:

- (a) separately enforce or exercise any of its rights in connection with the Shareholder Debt; or
- (b) without limiting paragraph (a):
 - (i) demand early repayment of the Facility; or
 - (ii) take any action referred to in clause 3.1 other than accepting payment of any amount expressly permitted under clause 3.3 or, subject to this Deed Poll, accepting payment of the Principal Outstanding under the Facility on the Maturity Date; or
 - (iii) assign or transfer or create or allow to exist a Security Interest over any of its interest or rights in or to the Shareholder Debt.

9. Representations and Warranties

9.1 Representations and warranties

Each Subordinated Creditor and the Borrower (in the case of paragraphs (a) to (f) inclusive) makes the following representations and warranties in respect of itself and for the benefit of each Senior Finance Party.

- (a) **(Status)** It is a corporation validly existing under the laws of its place of jurisdiction specified in this Deed Poll.
- (b) **(Power)** It has the power to enter into and perform its obligations under this Deed Poll, to carry out the transactions contemplated by this Deed Poll and to carry on its business as now conducted or contemplated.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of this Deed Poll, and to carry out the transactions contemplated by this Deed Poll.
- (d) **(Documents binding)** This Deed Poll is duly executed and delivered by it and is its valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping and registration.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated under this Deed Poll did not and will not violate a provision of:
 - (i) a law or treaty or a judgement, ruling, order or decree of a Government Agency binding on it;
 - (ii) its constitution or other constituent documents; or

- (iii) any other document or agreement which is binding on it or its assets.
- (f) **(Authorisations)** Each Authorisation which is required in relation to:
 - (i) the execution, delivery and performance by it of this Deed Poll and the transactions contemplated by this Deed Poll; and
 - (ii) the validity and enforceability of this Deed Poll,has been obtained or effected. Each is in full force and effect. It has complied with each of them. It has paid all applicable fees for each of them.
- (g) **(Title)** Each Subordinated Creditor is absolutely entitled to the Shareholder Debt free from any Security Interest.
- (h) **(Guarantee or Security Interest)** Each Subordinated Creditor does not hold (nor does any other person hold on its behalf) any Guarantee or Security Interest in respect of the Shareholder Debt.

9.2 Reliance on representations and warranties

Each Subordinated Creditor and the Borrower acknowledges that the Senior Lenders have entered into (or have otherwise obtained the benefit of) the Senior Debt Documents in reliance on the representations and warranties in this clause.

10. Waivers, Remedies Cumulative

- (a) No failure to exercise or delay in exercising any right, power or remedy under this Deed Poll operates as a waiver. Nor does any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.
- (b) The rights, powers and remedies provided to the Senior Finance Parties in this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law.

11. Severability of Provisions

Any provision of this Deed Poll which is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Deed Poll nor affect the validity or enforceability of that provision in any other jurisdiction.

12. Survival of Obligations

Each representation or warranty in this Deed Poll survives the execution and delivery of the Senior Debt Documents and the provision of financial accommodation.

13. Acknowledgement by Borrower and Subordinated Creditor

Each of the Borrower and each Subordinated Creditor confirms that:

- (a) it has not entered into this Deed Poll in reliance on, or as a result of, any statement or conduct of any kind of or on behalf of any Senior Finance Party or any Related Body Corporate of any Senior Finance Party (including any advice, warranty, representation or undertaking); and
 - (b) neither a Senior Finance Party nor any Related Body Corporate of a Senior Finance Party is obliged to do anything (including disclose anything or give advice),
- except as expressly set out in the Senior Debt Documents.

14. Notices

All notices, requests, demands, consents, approvals, agreements or other communications to or by a party to a Senior Debt Document:

- (a) must be in writing signed by an authorised officer of the sender; and
- (b) will be conclusively taken to be given or made when delivered, received or left at the address or fax number of the recipient shown in the schedule or a Senior Debt Document or to any other address or fax number which it may have notified the sender but, if delivery or receipt is on a day on which business is not generally carried on in the place to which the communication is sent or is later than 4pm (local time), it will be conclusively taken to have been given or made at the commencement of business on the next day on which business is generally carried on in that place.

15. Governing Law and Jurisdiction

This Deed Poll is governed by the laws of New South Wales. Each Subordinated Creditor and the Borrower submits to the non-exclusive jurisdiction of courts exercising jurisdiction there.

16. Counterparts

This Deed Poll may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

17. Termination

The parties' obligations under this Deed Poll shall terminate on the Satisfaction Date except as provided in the other provisions of this Deed Poll and any accrued rights and remedies of a party are not affected on the termination of this Deed Poll.

Schedule

Notice Details

Telstra

Telstra Corporation Limited

Address: Level 41, Telstra Centre, 242 Exhibition Street, Melbourne, Victoria, 3000
Fax number: +613 9632 3215
Email: companysecretary@team.telstra.com
Attention: Company Secretary

News

News Australia Pty Limited

Address: 2 Holt Street, Surry Hills, New South Wales, 2000
Fax number: +612 9288 3291
Email: sintona@newsltd.com.au
Attention: Alastair Sinton

CMH

Consolidated Media Holdings Limited

Address: Level 2, 54 Park Street, Sydney, New South Wales, 2000
Fax number: (02) 9282 8828
Email: llane@cmh.com.au
Attention: Company Secretary

The Borrower

FOXTEL Management Pty Limited

Address: 5 Thomas Holt Drive, North Ryde, New South Wales, 2113
Fax number: (02) 9813 7606
Email: Peter.Tonagh@foxtel.com.au
Attention: Chief Operating Officer

Subordination Deed Poll

Annexure

Form of Senior Debt Nomination Letter

To: [Senior Lender]/[Senior Lender Representative]

Date: [*]

Dear Sirs

Senior Debt Nomination Letter – Subordination Deed Poll dated [*] given by Telstra Corporation Limited, News Australia Pty Limited, Consolidated Media Holdings Limited and FOXTEL Management Pty Limited (the *Subordination Deed Poll*) in favour of the Senior Finance Parties

Terms defined in the Subordination Deed Poll have the same meaning when used in this letter. This is a Senior Debt Nomination Letter for the purposes of the Subordination Deed Poll.

We nominate:

- (a) the following person[s] as a Senior Lender for the purposes of the Subordination Deed Poll:
[*]
- (b) the following person as a Senior Lender Representative for the purposes of the Subordination Deed Poll:
[*]
- (c) the following document[s] as Senior Debt Document[s] for the purposes of the Subordination Deed Poll:
[*]; and
- (d) the following as [a Senior Commitment]/ [Senior Commitments] for the purposes of the Subordination Deed Poll:
[*].

This letter is governed by the laws of New South Wales.

For and on behalf of:

FOXTEL Management Pty Limited

Subordination Deed Poll

Executed and delivered as a Deed Poll

Each attorney executing this Deed Poll states that he or she has no notice of revocation or suspension of his or her power of attorney.

The Subordinated Creditors

Signed Sealed and Delivered for Telstra Corporation Limited by its attorneys in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Attorney Signature

Print Name

Signed Sealed and Delivered for News Australia Pty Limited by its attorney in the presence of:

Witness Signature

Attorney Signature

Print Name

Print Name

Subordination Deed Poll

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Consolidated Media Holdings Limited:**

Director Signature

Director/Secretary Signature

Print Name

Print Name

The Borrower

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL Management Pty Limited:**

Director Signature

Director/Secretary Signature

Print Name

Print Name

EXHIBIT B

Senior Debt Nomination Letter

[Attached]

Senior Debt Nomination Letter

To: Each holder under the note and guarantee agreement dated 24 September 2009 between, among others, Foxtel Management Pty Limited (ACN 068 671 938), Sky Cable Pty Limited (ABN 14 069 799 640) and Telstra Media Pty Limited (ABN 72 069 279 027) (the *Note and Guarantee Agreement*)

Date: 10 April 2012

Dear Sirs

Senior Debt Nomination Letter – Subordination Deed Poll dated 10 April 2012 given by Telstra Corporation Limited, News Australia Pty Limited, Consolidated Media Holdings Limited and FOXTEL Management Pty Limited (the *Subordination Deed Poll*) in favour of the Senior Finance Parties

Terms defined in the Subordination Deed Poll have the same meaning when used in this letter. This is a Senior Debt Nomination Letter for the purposes of the Subordination Deed Poll.

We nominate:

- (a) the following persons as a Senior Lender for the purposes of the Subordination Deed Poll: Each holder under the Note and Guarantee Agreement from time to time (the *Holder*s)
- (b) the following person as a Senior Lender Representative for the purposes of the Subordination Deed Poll:
The Required Holders (as that term is defined in the Note and Guarantee Agreement) except that, in relation to any matter that requires the consent of all Holders under the Note and Guarantee Agreement, each Holder will be a Senior Lender Representative; and
- (c) the following documents as Senior Debt Documents for the purposes of the Subordination Deed Poll:
 - the Note and Guarantee Agreement;
 - the Notes (as defined in the Note and Guarantee Agreement); and
 - each Member Guarantee (as defined in the Note and Guarantee Agreement).

This letter is governed by the laws of New South Wales.

For and on behalf of:

/s/ Peter Tonagh

FOXTEL Management Pty Limited

EXHIBIT C

Opinion Letter of Allens Arthur Robinson

[Attached]

24 April 2012

Each holder under the Note and Guarantee Agreement (as defined below) and their substitutes and assigns

ABN 47 702 595 758

Level 28
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
Australia

T +61 2 9230 4000

F +61 2 9230 5333

Correspondence
GPO Box 50
Sydney NSW 2001
Australia
DX 105 Sydney

www.aar.com.au

Confidential

Dear Sirs

Subordination Deed Poll

We have been retained to act for FOXTEL Management Pty Limited (ACN 068 671 938) (*FOXTEL*) in connection the Subordination Deed Poll dated 10 April 2012 given by each Relevant Company (the *Subordination Deed Poll*).

Definitions in the Subordination Deed Poll apply in this opinion, but:

Authorisation means:

- (a) any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption; or
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.

Documents means the documents listed in paragraphs 1(a) and 1(b);

Government Agency means any government or any governmental, semi governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

Note and Guarantee Agreement means the agreement so entitled, dated 24 September 2009 between, among others, FOXTEL, Sky Cable Pty Limited (ABN 14 069 799 640) and Telstra Media Pty Limited (ABN 72 069 279 027) (as amended by Amendment No. 1 and Amendment No.2 and as further amended, modified, waived or supplemented from time to time);

Relevant Company means each of:

- (a) FOXTEL;
- (b) Telstra Corporation Limited (ACN 051 775 556);
- (c) News Australia Pty Limited (ACN 007 910 330); and
- (d) Consolidated Media Holdings Limited (ACN 009 071 167).

Relevant Jurisdiction means the Commonwealth of Australia and New South Wales.

Bangkok
Beijing
Beijing IP
Brisbane
Hanoi
Ho Chi Minn City
Hong Kong
Jakarta
Melbourne
Perth
Port Moresby
Shanghai
Singapore
Sydney

No assumption or qualification in this opinion limits any other assumption or qualification in it.

1. Documents

We have examined the following documents:

- (a) an executed copy of the Subordination Deed Poll;
- (b) an executed copy of a Senior Debt Nomination Letter dated 10 April 2012;
- (c) copies of the constitution of each Relevant Company; and
- (d) copies of executed powers of attorney in connection with the execution of the Documents by the Relevant Companies.

2. Assumptions

Our opinion is based on the following assumptions.

- (a) All dates, signatures, seals and duty markings are authentic.
- (b) If we have reviewed a copy of a document, it is a correct and complete copy of the original.
- (c) No Document has been amended, released or terminated.
- (d) Each power of attorney referred to in paragraph 1(d) above has not been amended or revoked.
- (e) Each Relevant Company is solvent and enters the Documents to which it is party and carries out the transactions contemplated in the Documents to which it is party for its benefit and for the purposes of its business.
- (f) No person has engaged or will engage in unconscionable, misleading or deceptive conduct (by act or omission). No person has engaged or will engage in any other conduct, and there are no facts or circumstances not evident from the face of the documents listed in paragraph 1 above, that might make any part of this opinion incorrect.
- (g) Insofar as any obligation under the Documents is to be performed in any jurisdiction other than a Relevant Jurisdiction, its performance will not be illegal or unenforceable under the law of that jurisdiction.

3. Qualifications

Our opinion is subject to the following qualifications.

- (a) We express no opinion as to any laws other than the laws of each Relevant Jurisdiction as in force at the date of this opinion.
- (b) A statement that an obligation is 'binding' or 'enforceable' means that the obligation is of a type and form that courts of the Relevant Jurisdictions will generally enforce. It does not mean that the obligation can be enforced in all circumstances. For example:
 - (i) equitable remedies, such as injunction and specific performance, are discretionary;

- (ii) enforceability may be affected by laws relating to insolvency or other laws that affect creditors' rights generally; and
 - (iii) enforceability may be affected by general law doctrines or statutory relief in relation to matters such as fraud, misrepresentation, mistake, duress, unconscionable conduct, frustration, estoppel, waiver, lapse of time, penalties, courts retaining their ability to adjudicate, public policy or illegality.
- (c) We have relied on a searches of public records of the Australian Securities and Investments Commission on 10 April 2012 - the records disclosed by those searches may not be complete or up to date.
 - (d) We have relied on the assumptions specified in section 129 of the *Corporations Act 2001* and note that you may do so unless you knew or suspected that the assumption was incorrect.
 - (e) Insofar as our opinions in paragraph 4 relate to the performance of the Documents, they relate to the performance of the transactions effected by the Documents as contemplated by the Documents. In particular, they do not extend to the performance of obligations under other documents referred to in the Documents or the conduct of business generally.
 - (f) A judgment by a court may be given in some cases only in Australian dollars.
 - (g) There is a prohibition on, or in some cases the specific prior approval of the Department of Foreign Affairs and Trade or the Minister for Foreign Affairs must be obtained for, certain payments or other dealings connected with parties identified with terrorism, or to whom United Nations or autonomous Australian sanctions apply.

4. Opinion

Based on the assumptions and subject to the qualifications set out above we are of the following opinion.

- (a) Each Relevant Company is incorporated and existing in Australia and is capable of suing and being sued in its own name.
- (b) Each Relevant Company has the corporate power to enter into and perform its obligations under the Documents to which it is party.
- (c) The execution, delivery and performance by each Relevant Company of the Documents to which it is a party did not and will not violate in any respect any existing provision of:
 - (i) any law of any Relevant Jurisdiction; or
 - (ii) its constitution.

- (d) Each Relevant Company has duly executed the Documents to which it is a party in accordance with the laws of each Relevant Jurisdiction.
- (e) Each Document constitutes binding obligations of each Relevant Company which is party to it enforceable in competent courts of the Relevant Jurisdictions.
- (f) No other Authorisations now obtainable under the laws of any Relevant Jurisdiction are required for the execution by any Relevant Company of the Documents or for the validity or enforceability of the Documents to which it is party against it.
- (g) It is not necessary under the laws of any Relevant Jurisdiction to file, register or record any Document.
- (h) No stamp duty or other documentary tax is payable on the Documents or in respect of any transaction effected by the Documents, other than any nominal duty.
- (i) Neither any Relevant Company nor any of its properties or assets has any immunity from the jurisdiction of any court or from legal process under the laws of any Relevant Jurisdiction.
- (j) It is not necessary that any Senior Lender should be licensed, qualified or otherwise entitled to carry on business under the laws of any Relevant Jurisdiction in order to enforce its rights under the Documents.

This opinion is addressed to you for your sole benefit. It is not to be relied on by any other person or for any other purpose other than subsequent holders of the Notes and the National Association of Insurance Commissioners. It is not to be quoted or referred to in any public document or filed with or disclosed to any Government Agency or other person other than:

- (a) to the extent required by law or an official directive;
- (b) in connection with any litigation relating to the Documents or this opinion;
- (c) the National Association of Insurance Commissioners; or
- (d) with our consent, which we will not withhold unreasonably.

Anyone relying on this opinion agrees that this opinion and all matters (including any liability) arising in any way from it are to be governed by the law of New South Wales and will be subject to the exclusive jurisdiction of New South Wales courts.

Yours faithfully

/s/ Allens Arthur Robinson

Allens Arthur Robinson

Alan Maxton

Partner

NOTICE OF SECURITY RELEASE**AND****AMENDMENT NUMBER 2**

This **NOTICE OF SECURITY RELEASE AND AMENDMENT NUMBER 2** dated as of April 2, 2012 (this “**Notice and Amendment**”) is entered into by FOXTEL Management Pty Limited (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 279 027) (“**Telstra Media**” and, together with Sky Cable, each a “**Partner**” and collectively the “**Partners**”) and FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**” and, the Guarantor, together with the Company, collectively, the “**Obligor**”), and each holder of Notes under, and as defined in, the below referenced Note Agreement, that is signatory to this Notice and Amendment and each Member Guarantor (as defined in the below referenced Note Agreement).

WITNESSETH AND NOTICE

WHEREAS, reference is made to the Note and Guarantee Agreement dated as of September 24, 2009 (the “**Note Agreement**”), among the Obligor, the Partners and the Purchasers listed in Schedule A thereto, pursuant to which the Company issued U.S.\$180,000,000 of Guaranteed Senior Secured Notes;

WHEREAS, capitalized terms used in this Notice and Amendment but not defined herein are used as defined in the Note Agreement;

WHEREAS, pursuant to Section 24(a) of the Note Agreement, the Obligor hereby notifies each holder of Notes that on or about the date (the “**Security Release Date**”) on which the first funding occurs under the Syndicated Revolving Facility Agreement to be entered into by FOXTEL Management, FOXTEL Finance Pty Limited, Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation, all of the Secured Property will be released from the Security in accordance with the Security Trust Deed, whereupon the Note Agreement and the Notes will become unsecured obligations of the Obligor, the Partners and the Member Guarantors; and

WHEREAS, pursuant to Section 24(d) of the Note Agreement, the Obligor and the Partners hereby request that the holders of Notes enter into the amendments contemplated by Section 1 of this Notice and Amendment to (i) evidence and memorialize the actions contemplated pursuant to Section 24 of the Note Agreement and (ii) amend the Note Agreement to make necessary consequential changes and to remove all references to the Security, the Secured Documents and all related terms and provisions.

NOW THEREFORE, in consideration of the mutual covenants and premises herein contained and other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Amendment of the Note Agreement. Effective as of the date of satisfaction of each condition precedent set forth in Section 4 below, the Note Agreement (including all Schedules and Exhibits) shall be and is hereby amended as set forth in Exhibit 1 to this Amendment, with text marked in **bold double underline** indicating additions to the Note Agreement and with text marked in **~~bold strikethrough~~** indicating deletions to the Note Agreement.

Section 2. Representations and Warranties by the Obligor and the Partners. The Obligor represents and warrants as set forth below and each Partner represents and warrants in respect of itself as set forth in Sections 2.01, 2.02 and 2.03, that:

2.01. Organization; Power and Authority. The Obligor and each Partner is a corporation or partnership, as the case may be, duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation or partnership and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Obligor and each Partner has the corporate power and authority to execute and deliver this Notice and Amendment and to perform the provisions of this Notice and Amendment and the Note Agreement as modified hereby (the "**Amended Note Agreement**").

2.02. Authorization. This Notice and Amendment has been duly authorized by all necessary corporate action on the part of the Obligor or such Partner, as the case may be, and this Notice and Amendment and the Amended Note Agreement constitute a legal, valid and binding obligation of the Obligor or such Partner, as the case may be, enforceable against the Obligor or such Partner, as the case may be, in accordance with its terms, in each case, as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.03. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Obligor and each Partner of this Notice and Amendment and the Amended Note Agreement will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of any Transaction Party under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, partnership agreement, memorandum and articles of association, regulations or by-laws or other organizational document, or any other agreement or instrument to which any Transaction Party or any other Member is bound or by which any Transaction Party or any other Member or any of their respective

properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to any Transaction Party or any other Member or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to any Transaction Party or any other Member.

2.04. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligor or either Partner of this Notice and Amendment or the performance of the Amended Note Agreement.

2.05. No Release Consideration. No Release Consideration has been or will be paid to any Beneficiary under and as defined in the Security Trust Deed in connection with the release of the Secured Property from the Security.

2.06. No Defaults. The Obligor further represents and warrants that, both before and after giving effect to this Notice and Amendment, no Default or Event of Default has occurred and is continuing.

Section 3. Representations and Warranties by the Holders of Notes. Each holder of Notes signatory hereto severally represents and warrants that, as of the date hereof, such holder (i) either (A) is the sole legal and beneficial owner of the principal amount of Notes set forth below such holder's name on its signature page hereto or (B) has investment or voting discretion with respect to such Notes and has the power and authority to bind the beneficial owner(s) of such Notes to the terms of this Notice and Amendment; and (ii) has full power and authority to vote on and consent to matters concerning such Notes.

Section 4. Condition to Effectiveness. The amendments set forth in Section 1 above shall become effective when all of the following conditions precedent shall have been fulfilled:

4.01. Security Release Date. The Security Release Date shall have occurred and the Obligor shall have provided evidence thereof to each holder of Notes.

4.02. Execution and Delivery. This Notice and Amendment shall have been duly executed and delivered by the Obligor, the Partners, the Member Guarantors and each holder of Notes.

4.03. Common Terms Deed Poll. The Obligor shall have provided each holder of Notes an executed copy of the CTDP (as defined in the Note Agreement as amended by this Notice and Amendment).

4.04. Fees and Expenses. The Obligor shall have paid, or caused to be paid, all reasonable fees and expenses of each of Chapman and Cutler LLP and Minter Ellison, special counsel to the holders of Notes, relating to the transactions contemplated hereby.

Section 5. Miscellaneous.

5.01. Ratification of Note Agreement; Note Agreement Unchanged. The Note Agreement is in all respects ratified and confirmed, and the terms, covenants and agreements thereof shall remain unchanged and in full force and effect except as otherwise amended as set forth in Section 1 above.

5.02. Affirmation of Member Guarantors. Each Member Guarantor hereby acknowledges and agrees to this Notice and Amendment and the transactions contemplated hereby and reaffirms in its entirety the Member Guarantee to which it is party and all obligations thereunder.

5.03. Execution in Counterparts. This Notice and Amendment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

5.04. Governing Law. This Notice and Amendment shall be governed by, and construed in accordance with, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the law of a jurisdiction other than such State.

[Remainder of page intentionally blank.]

If you are in agreement with the foregoing, please sign the form of acceptance in the space provided below whereupon, after execution by the Required Holders, this Notice and Amendment shall become a binding agreement among the Obligor, the Partners and the holders of Notes.

Very truly yours,

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED, in its own capacity:**

/s/ Richard Freudenstein
Director Signature
RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED**, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership:

/s/ Richard Freudenstein
Director Signature
RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

Executed in accordance with section 127 of the *Corporations Act 2001* by **SKY CABLE PTY LIMITED:**

/s/ Ian Philip

Director Signature

/s/ Stephen Rue

Director/Secretary Signature

IAN Philip

Print Name

Stephen Rue

Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

Signed Sealed and Delivered for **TELSTRA MEDIA PTY LIMITED** by its attorney in the presence of:

/s/ Adrienne Lyle
Witness Signature

Adrienne Lyle
Print Name

/s/ Adrienne Lyle
Witness Signature

Adrienne Lyle
Print Name

/s/ Clifford B. Davis
Attorney Signature

Clifford B. Davis
Print Name

/s/ S. Bailey
Attorney Signature

S. Bailey
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
CUSTOMER SERVICES PTY LIMITED:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Director/Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
FOXTEL CABLE TELEVISION PTY LIMITED:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Director/ Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
**ARTIST SERVICES CABLE MANAGEMENT PTY
LIMITED:**

/s/ Peter Tonagh
Director Signature
PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
THE RACING CHANNEL CABLE-TV PTY LIMITED:

/s/ Peter Tonagh
Director Signature
PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
FOXTEL HOLDINGS PTY LIMITED:

/s/ Peter Tonagh
Director Signature
PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
FOXTEL FINANCE PTY LIMITED:

/s/ Peter Tonagh
Director Signature
PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
ACKNOWLEDGED AND AGREED TO AS OF THE DATE
FIRST ABOVE WRITTEN:

Executed in accordance with section 127
of the *Corporations Act 2001* by
FOXTEL AUSTRALIA PTY LIMITED:

/s/ Peter Tonagh
Director Signature
PETER TONAGH
Print Name CHIEF OPERATING OFFICER

/s/ Lynette Ireland
Director/Secretary Signature
LYNETTE IRELAND
Print Name

Signature Page to Notice of Security Release and Amendment No. 2
FOXTEL

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Delaware Investment Advisers,
a series of Delaware Management Business Trust, Attorney in Fact

By: /s/ Frank LaTorraca

Name: Frank LaTorraca

Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$6,000,000.00

Series C Notes: U.S.\$13,000,000.00

[Notice of Security Release and Amendment Number 2]

Foxtel

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

ING LIFE INSURANCE AND ANNUITY COMPANY

By: ING Investment Management LLC, as Agent

By: /s/ Fitzhugh L. Wickham

Name: Fitzhugh L. Wickham

Title: Vice President

Principal amount of Notes

Series A Notes; U.S.\$10,000,000

Series B Notes: U.S.\$9,000,000

Series C Notes: U.S.\$0

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

AVIVA LIFE AND ANNUITY COMPANY
(Successor in interest to American Investors Life Insurance Company)

By: Aviva Investors North America, Inc.,
its authorized attorney-in-fact

By: /s/ Roger D. Fors
Name: Roger D. Fors
Title: VP-Private Fixed Income

Principal amount of Notes
Series B Notes: U.S.\$5,000,000
Series C Notes: U.S.\$12,000,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

C.M. LIFE INSURANCE COMPANY

By: Babson Capital Management LLC as Investment Adviser

By: /s/ John B. Wheeler
Name: John B. Wheeler
Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Babson Capital Management LLC as Investment Adviser

By: /s/ John B. Wheeler
Name: John B. Wheeler
Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

By: Provident Investment Management, LLC

Its: Agent

By: /s/ Ben Vance

Name: Ben Vance

Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$8,000,000

Series C Notes: U.S.\$ _____

UNUM LIFE INSURANCE COMPANY OF AMERICA

By: Provident Investment Management, LLC

Its: Agent

By: /s/ Ben Vance

Name: Ben Vance

Title: Managing Director

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$8,500,000

Series C Notes: U.S.\$ _____

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Gwendolyn S. Foster
Name: Gwendolyn S. Foster
Title: Senior Director

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ 14,000,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

JACKSON NATIONAL LIFE INSURANCE COMPANY

By: PPM America, Inc., as attorney in fact,
on behalf of Jackson National Life Insurance Company

By: /s/ Brian B. Manczak
Name: Brian B. Manczak
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$12,000,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: Cigna Investments, Inc. (authorized agent)

By: /s/ Robert W. Eccles

Name: Robert W. Eccles

Title: Senior Managing Director

Principal amount of Notes

Series A Notes: U.S.\$0

Series B Notes: U.S.\$4,000,000

Series C Notes: U.S.\$2,000,000d

LIFE INSURANCE COMPANY OF NORTH AMERICA

By: Cigna Investments, Inc. (authorized agent)

By: /s/ Robert W. Eccles

Name: Robert W. Eccles

Title: Senior Managing Director

Principal amount of Notes

Series A Notes: U.S.\$0

Series B Notes: U.S.\$1,000,000

Series C Notes: U.S.\$3,000,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Colleen C. Cooney
Name: Colleen C. Cooney
Title: Corporate Vice President

Principal amount of Notes

Series A Notes: U.S.\$500,000.00

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

**NEW YORK LIFE INSURANCE AND ANNUITY
CORPORATION**

By: New York Life Investment Management LLC,
Its Investment Manager

By: /s/ Colleen C. Cooney
Name: Colleen C. Cooney
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$9,500,000.00

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

MINNESOTA LIFE INSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: /s/ Robert G. Diedrich
Name: Robert G. Diedrich
Title: Vice President

Principal amount of Notes
Series A Notes: U.S.\$2,000,000.00
Series B Notes: U.S.\$2,000,000.00
Series C Notes: U.S.\$1,000,000.00

**UNITED INSURANCE COMPANY OF
AMERICA**

By: Advantus Capital Nwiagement, Inc.

By: /s/ Robert G. Diedrich
Name: Robert G. Diedrich
Title: Vice President

Principal amount of Notes
Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$2,500,000.00
Series C Notes: U.S.\$1,000,000.00

**THE LAFAYETTE LIFE INSURANCE
COMPANY**

By: _____
Name:
Title:

Principal amount of Notes
Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

MINNESOTA LIFE INSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: _____
Name:
Title:

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

**UNITED INSURANCE COMPANY OF
AMERICA**

By: Advantus Capital Management, Inc.

By: _____
Name:
Title:

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$ _____
Series C Notes: U.S.\$ _____

**THE LAFAYETTE LIFE INSURANCE
COMPANY**

By: /s/ James J. Vance _____
Name: James J. Vance
Title: Vice President

By: /s/ Deborah J. Vargo _____
Name: Deborah J. Vargo
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ _____
Series B Notes: U.S.\$500,000
Series C Notes: U.S.\$ _____

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Cathy Schwartz
Name: Cathy Schwartz
Title: Assistant Vice President

By: /s/ Diane W. Dales
Name: Diane W. Dales
Title: Assistant Secretary

Principal amount of Notes
Series A Notes: U.S.\$7,000,000.00
Series B Notes: U.S.\$-0-
Series C Notes: U.S.\$-0-

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

**CMFG LIFE INSURANCE COMPANY
(FKA CUNA MUTUAL INSURANCE SOCIETY)**

By: MEMBERS Capital Advisors, Inc.
acting as Investment Advisor

By: /s/ John Petchler
Name: John Petchler
Title: Director, Investments

Principal amount of Notes

Series A Notes: U.S.\$ _____

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$3,500,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

**SOUTHERN FARM BUREAU LIFE
INSURANCE COMPANY**

By: /s/ David Divine

Name: David Divine

Title: Portfolio Manager

Principal amount of Notes

Series A Notes: U.S.\$_____

Series B Notes: U.S.\$2,000,000

Series C Notes: U.S.\$1,500,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

**THE OHIO NATIONAL LIFE INSURANCE
COMPANY**

By: /s/ Jed R. Martin _____

Name: Jed R. Martin

Title: Vice President, Private Placements

Principal amount of Notes

Series B Notes: U.S.\$1,000,000

**OHIO NATIONAL LIFE ASSURANCE
CORPORATION**

By: /s/ Jed R. Martin _____

Name: Jed R. Martin

Title: Vice President, Private Placements

Principal amount of Notes

Series C Notes: U.S.\$1,000,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

PROASSURANCE CASUALTY COMPANY

By: Prime Advisors, Inc., Attomey-in-Fact

By: /s/ Scott Sell _____
Name: Scott Sell
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$1,000,000

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

**PROASSURANCE INDEMNITY COMPANY,
INC.**

By: Prime Advisors, Inc., Attomey-in-Fact

By: /s/ Scott Sell _____
Name: Scott Sell
Title: Vice President

Principal amount of Notes

Series A Notes: U.S.\$ 1,000,000

Series B Notes: U.S.\$ _____

Series C Notes: U.S.\$ _____

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

PRIME REINSURANCE COMPANY, INC.

By: Conning, Inc., as Investment Manager

By: /s/ John H. DeMallie

Name: John H. DeMallie

Title: Director

Principal amount of Notes

Series B Notes: U.S.\$1,000,000

**SENIOR HEALTH INSURANCE COMPANY OF
PENNSYLVANIA**

By: Conning, Inc., as Investment Manager

By: /s/ John H. DeMallie

Name: John H. DeMallie

Title: Director

Principal amount of Notes

Series C Notes: U.S.\$1,000,000

[Notice of Security Release and Amendment Number 2]

THE FOREGOING NOTICE AND AMENDMENT IS HEREBY
AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN:

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

By: /s/ [Signature Unclear]

Its: Authorized Representative

Principal amount of Notes

Series B Notes: U.S.\$16,000,000

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY FOR ITS GROUP
ANNUITY SEPARATE ACCOUNT

By: /s/ [Signature Unclear]

Its: Authorized Representative

Principal amount of Notes

Series B Notes: U.S.\$1,000,000

[Notice of Security Release and Amendment Number 2]

EXHIBIT 1

Amended Note Agreement

[Attached]

CONFORMED THROUGH

WAIVER, CONSENT AND AMENDMENT NUMBER 1 DATED AS OF ~~1~~ April 2,

2012 AND
NOTICE OF SECURITY RELEASE AND AMENDMENT NUMBER 2

DATED AS OF April 2, 2012

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

in its own capacity

as guaranteed by:

SKY CABLE PTY LIMITED

(ABN 14 069 799 640)

TELSTRA MEDIA PTY LIMITED

(ABN 72 069 279 027)

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

in its capacity as agent for the Partners as a partnership
carrying on the business of the FOXTEL Partnership
and as agent for the FOXTEL Television Partnership

and

the **FOXTEL GROUP MEMBER GUARANTORS**

U.S.\$180,000,000

5.04% Series A Guaranteed Senior **Secured** Notes due 2014

5.83% Series B Guaranteed Senior **Secured** Notes due 2016

6.20% Series C Guaranteed Senior **Secured** Notes due 2019

NOTE AND GUARANTEE AGREEMENT

Dated as of September 24, 2009

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FOXTEL MANAGEMENT PTY LIMITED

*5 Thomas Holt Drive
Sydney NSW 2113
Australia*

SKY CABLE PTY LIMITED

*Level 5, 2 Holt Street
Surry Hills NSW 2010
Australia*

TELSTRA MEDIA PTY LIMITED

*Level ~~9, 400 George~~41, Telstra Centre
242 Exhibition Street
~~Sydney NSW 2113~~
Melbourne, Victoria 3000
Australia*

FOXTEL MANAGEMENT PTY LIMITED

in its capacity as agent for the Partners as a partnership
carrying on the business of the FOXTEL Partnership
and as agent for the FOXTEL Television Partnership

*5 Thomas Holt Drive
Sydney NSW 2113
Australia*

5.04% Series A Guaranteed Senior **Secured** Notes due 2014
5.83% Series B Guaranteed Senior **Secured** Notes due 2016
6.20% Series C Guaranteed Senior **Secured** Notes due 2019

As of September 24, 2009

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”),

Telstra Media Pty Limited (ABN 72 069 279 027) (“**Telstra Media**” and, together with Sky Cable, each a “**Partner**” and collectively the “**Partners**”) and FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**” and, the Guarantor, together with the Company, collectively, the “**Obligor**”), agree with each of the purchasers whose names appear at the end hereof (each a “**Purchaser**” and collectively the “**Purchasers**”) as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale in three series of U.S.\$180,000,000 aggregate principal amount of its Guaranteed Senior **Secured** Notes, of which U.S.\$31,000,000 aggregate principal amount shall be its 5.04% Series A Guaranteed Senior **Secured** Notes due 2014 (the “**Series A Notes**”), U.S.\$74,000,000 aggregate principal amount shall be its 5.83% Series B Guaranteed Senior **Secured** Notes due 2016 (the “**Series B Notes**”) and U.S.\$75,000,000 aggregate principal amount shall be its 6.20% Series C Guaranteed Senior **Secured** Notes due 2019 (the “**Series C Notes**” and, together with the Series A Notes and the Series B Notes, the “**Notes**”, such term to include any such notes issued in substitution therefor pursuant to Section 15). The Notes shall be substantially in the respective form set out in Exhibit 1-A, 1-B and 1-C. Certain capitalized and other terms used in this Agreement are defined in Schedule B; and references to a “Schedule” or an “Exhibit” are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Payment of the principal of, Make-Whole Amount (if any), Modified Make-Whole Amount (if any) and interest on the Notes and all other amounts owing hereunder shall be unconditionally guaranteed by (i) the Guarantor and the Partners as provided in Section 14 and (ii) the Member Guarantors as provided in their respective Member Guarantees.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the respective series and in the principal amount specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, at approximately 10:00 A.M., New York time, at a closing (the “**Closing**”) on September 24, 2009. At the Closing the Company will deliver to each Purchaser the Notes to be

purchased by such Purchaser in the form of a single Note for each series to be so purchased (or such greater number of Notes in denominations of at least U.S.\$100,000 as such Purchaser may request dated the date of the Closing and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds to The Bank of New York, New York, 1 Wall Street, New York, NY 10286, ABA No. 021000018, Swift Code: IRVTUS3N, For further credit to: Commonwealth Bank of Australia, Swift Code: CTBAAU2S, Banking Operations, Sydney, For the credit of: FOXTEL Management Pty Limited, Account No.: 100611560USD115601. If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Obligor and the Partners in this Agreement and of the Member Guarantors in their respective Member Guarantees shall be correct when made and at the time of the Closing.

4.2. Performance; No Default.

The Obligor and the Partners shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds of the Notes as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. No Member (in the case of Section 10.1 or 10.5) or Partner (in the case of Section 10.5) shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10.1 or 10.5 had such Sections applied since such date.

4.3. Compliance Certificates.

(a) Officer's Certificate. The Obligor and each Partner shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 with respect to the Obligor and the Partners have been fulfilled.

(b) Secretary's or Director's Certificate. Each Transaction Party shall have delivered to such Purchaser a certificate of its Secretary or an Assistant Secretary or a Director or other appropriate person, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate, partnership or other organizational proceedings relating to the authorization, execution and delivery of (i) this Agreement and the Notes (in the case of the Company), (ii) this Agreement (in the case of the Guarantor and the Partners) and (iii) the respective Member Guarantees (in the case of each Member Guarantor).

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from (i) Sidley Austin, U.S. counsel for the Transaction Parties, and (ii) Allens Arthur Robinson, Australian counsel for the Transaction Parties, substantially in the respective forms set forth in Exhibits 4.4(a)(i) and 4.4(a)(ii) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Obligor and the Partners hereby instruct their counsel to deliver such opinions to the Purchasers) and (b) from Milbank, Tweed, Hadley & McCloy LLP, the Purchasers' U.S. counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5. Purchase Permitted By Applicable Law, Etc.

On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate from the Company certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6. Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

4.7. Payment of Special Counsel Fees.

Without limiting the provisions of Section 17.1, the Obligor shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4(b) to the extent reflected in a statement of such counsel rendered to the Company at least three Business Days prior to the Closing.

4.8. Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each series of Notes.

4.9. Changes in Corporate Structure.

(a) No Reporting Member shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

(b) The Group Structure Diagram shall be true and correct in all respects and shall not omit any material information or details.

4.10. Acceptance of Appointment to Receive Service of Process.

Such Purchaser shall have received evidence of the acceptance by National Registered Agents, Inc. of the appointment and designation provided for by Section ~~25.10~~24.10(e) hereof and Section 5.03(e) of each Member Guarantee, in each case for the period from the date of this Agreement through September 24, 2020.

4.11. Funding Instructions.

At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (a) the name and address of the transferee bank, (b) such transferee bank's ABA number and (c) the account name and number into which the purchase price for the Notes is to be deposited.

4.12. Member Guarantors; Member Guarantees.

With respect to the Member Guarantors, such Purchaser shall have received:

(a) a true and complete copy of a Member Guarantee duly executed and delivered by each Member Guarantor identified in Schedule 5.4, and each such Member Guarantee shall be in full force and effect; and

(b) a certificate signed by a director or an appropriate officer of each Member Guarantor dated the date of Closing confirming that (i) such Member Guarantor is, and after giving its Member Guarantee will be, solvent and able to pay all of its debts as and when they become due and payable and (ii) such Member Guarantor is entering into its Member Guarantee for the commercial benefit of such Member Guarantor.

4.13. Documents required under the Security Trust Deed. [Reserved].

~~(a) Such Purchaser shall have executed and delivered to the Security Trustee an STD Accession Deed and shall have received evidence reasonably satisfactory to it confirming that the Security Trustee shall have received such STD Accession Deed.~~

~~(b) The Company shall have delivered written notice to the Security Trustee that (i) the borrowings by the Company under this Agreement and the Notes and all transactions related thereto (including without limitation the Member Guarantees) constitute a "Participating Finance Arrangement" under, and as defined in, the Security Trust Deed, (ii) this Agreement, the Notes and the Member Guarantees each constitutes a "Participating Finance Arrangement Document" under, and as defined in, the Security Trust Deed, and (iii) the Company is a "Borrower" under, and as defined in, the Security Trust Deed, and such Purchaser shall have received evidence reasonably satisfactory to it confirming that the Security Trustee shall have received such notice.~~

~~(c) Such Purchaser shall have received a copy of the duly and fully executed Security Trust Deed.~~

4.14. New Charges. [Reserved].

~~Such Purchaser shall have received copies of the duly and fully executed FOXTEL New Charge, FOXTEL Partnership New Charge and FOXTEL Television Partnership New Charge.~~

4.15. Proceedings and Documents.

All corporate and other organizational proceedings in connection with the transactions contemplated by the Finance Documents and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE OBLIGOR AND THE PARTNERS.

The Obligor represents and warrants to each Purchaser as set forth below, and each Partner represents and warrants in respect of itself to each Purchaser as set forth in Sections 5.1, 5.2, 5.6, 5.10, 5.16(b), 5.21(i), 5.22 and ~~5.25~~5.23 below, as of the date of the Closing that:

5.1. Organization; Power and Authority.

The Obligor and each Partner is a corporation or partnership, as the case may be, duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation or partnership and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Obligor and each Partner has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement (in the case of the Obligor and the Partners) and the Notes (in the case of the Company) and to perform the provisions of the Finance Documents to which it is a party.

5.2. Authorization, Etc.

The Finance Documents to which the Obligor and each Partner each is a party have been duly authorized by all necessary corporate or partnership action on the part of the Obligor or such Partner, as the case may be, and such Finance Documents (other than the Notes) constitute, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Obligor or such Partner, as the case may be, enforceable against the Obligor or such Partner in accordance with its terms, except, in each case, as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. Disclosure.

The Obligor, through its agents, Commonwealth Australia Securities LLC and RBS Greenwich Capital, have delivered to each Purchaser a copy of a Private Placement Memorandum, dated August 2009 (the "**Memorandum**"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the FOXTEL Group. This Agreement, the Memorandum and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Obligor in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement, the

Memorandum and such documents, certificates or other writings and financial statements delivered to each Purchaser being referred to, collectively, as the “**Disclosure Documents**”), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Notwithstanding the foregoing, the Obligor does not make any representations or warranties with respect to any projections or forward looking statements contained in any of the Disclosure Documents, other than such projections and forward looking statements are based on information that the Obligor believes to be accurate and such projections and forward looking statements were calculated or arrived at in a manner that the Obligor believes to be reasonable. Except as disclosed in the Disclosure Documents, since June 30, 2009 there has been no change in the financial condition, operations, business, properties or prospects of the FOXTEL Group except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Obligor that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

5.4. Organization and Ownership.

(a) The Shareholders legally and beneficially own and control (directly or indirectly) 100% of the FOXTEL Group. All of the outstanding shares of capital stock or similar equity interests of each Member shown in Schedule 5.4 as being owned by the Partners and the Members have been validly issued, are fully paid and nonassessable and are owned by the Partners or a Member free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(b) All Members and Subsidiaries of Members are listed on the Group Structure Diagram. The Group Structure Diagram is true and correct in all material respects and does not omit any material information or details.

(c) Schedule 5.4 contains (except as noted therein) complete and correct lists of (i) each Member’s Affiliates, other than Subsidiaries, (ii) each Transaction Party’s directors and senior officers and (iii) the Member Guarantors.

(d) Each Member is a corporation, partnership or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation, partnership or other legal entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Member has the corporate, partnership or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(e) No Member is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate or partnership law or similar statutes) restricting the ability of such Member to pay dividends out of profits or make any other similar distributions of profits to any Member that owns outstanding shares of capital stock or similar equity interests of such Member.

5.5. Financial Statements; Material Liabilities.

The Obligor has delivered to each Purchaser copies of the financial statements listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) have been prepared in accordance with Relevant GAAP, where applicable for special purpose accounts, and give a true and fair view of the combined financial position of the FOXTEL Group as of the respective dates and for the respective periods specified in such Schedule (subject, in the case of any interim financial statements, to normal year-end adjustments). There are no Material liabilities of the FOXTEL Group or any Member that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6. Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Obligor and each Partner of each Finance Document to which it is a party will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of any Transaction Party under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, partnership agreement, memorandum and articles of association, regulations or by-laws or other organizational document, or any other agreement or instrument to which any Transaction Party or any other Member is bound or by which any Transaction Party or any other Member or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to any Transaction Party or any other Member or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to any Transaction Party or any other Member.

5.7. Governmental Authorizations, Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligor or either Partner of any Finance Document to which it is a party, including, without limitation, any thereof required in connection with the obtaining of Dollars to make payments under any Finance Document and the payment of such Dollars to Persons resident in the United States of America. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Australia of any Finance Document that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax, ~~except for (i) stamping of each Security and registration of each Security, all of which stamping and registrations have been paid and made as of or prior to the date of this Agreement, and (ii) the notification to ASIC of the notice referred to in Section 4.13(b) on ASIC Form 311B within forty five days after the date of Closing (as contemplated by Section 9.3).~~

5.8. Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligor, threatened against or affecting any Member or any property of any Member in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) No Member is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, but only to the extent applicable thereto, Environmental Laws or the USA PATRIOT Act) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9. Taxes.

Each Member has filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (or filings related thereto) (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the relevant Member has established adequate reserves in accordance with Relevant GAAP. The Obligor knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the FOXTEL Group and each Member in respect of Federal, state or other taxes for all fiscal periods are adequate.

No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of Australia or any political subdivision thereof will be incurred by the Obligor, either Partner or any holder of a Note as a result of the execution or delivery of this Agreement and the Notes and no deduction or withholding in respect of Taxes imposed by or for the account of Australia or, to the knowledge of the Obligor and each Partner, any other Taxing Jurisdiction, is required to be made from any payment by the Obligor or either Partner under the Finance Documents to which it is a party, except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority of Australia or any political subdivision thereof arising out of circumstances described in clauses (a) through (e), inclusive, of Section 13.

5.10. Title to Property; Leases.

Each Transaction Party and each other Member has good and sufficient title to its respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by any Transaction Party or any Member after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11. Licenses, Permits, Etc.

(a) Each Member owns or possesses all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others which could reasonably be expected to have a Material Adverse Effect.

(b) To the best knowledge of the Obligor, no product of any Member infringes in any material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the best knowledge of the Obligor, there is no violation by any Person of any right of any Member with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by any Member which could reasonably be expected to have a Material Adverse Effect.

5.12. Compliance with ERISA; Non-U.S. Plans.

(a) Neither the Obligor nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has, at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Code. Neither the Obligor nor any ERISA Affiliate is, or has ever been at any time within the past six years, a “party in interest” (as defined in section 3(14) of ERISA) or a “disqualified person” (as defined in section 4975 of the Code) with respect to any such plan.

(b) The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the relevant Member’s most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term “benefit liabilities” has the meaning specified in section 4001 of ERISA and the terms “current value” and “present value” have the meaning specified in section 3 of ERISA.

(c) No Member has incurred any Material obligation in connection with the termination of or withdrawal from any Non-U.S. Plan.

(d) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by any Member have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13. Private Offering by the Obligor and the Partners.

Neither the Obligor nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchasers and approximately 65 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Obligor nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

5.14. Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes to repay existing Indebtedness and for other general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Obligor in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). No Member owns any margin stock and no Member has any present intention to acquire any margin stock. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

5.15. Existing Indebtedness.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct summary list of outstanding Indebtedness of the FOXTEL Group as of August 31, 2009 (including a description of the obligors and obligees, principal amount outstanding, collateral therefor, if any, Guaranty thereof, if any, and whether such Indebtedness is Subordinated Debt), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the FOXTEL Group. No Member is in default and no waiver of default is currently in effect, in the payment of any principal or interest

on any Indebtedness of such Member and no event or condition exists with respect to any Indebtedness of any Member that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, no Partner or Member has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.6.

(c) The Obligor is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Obligor, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Obligor, except as specifically indicated in Schedule 5.15.

5.16. Foreign Assets Control Regulations, Etc.

(a) Neither the sale of the Notes by the Company hereunder nor the Company's use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

(b) No Transaction Party or any other Member (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (ii) knowingly engages in any dealings or transactions with any such Person. To the extent applicable thereto, each Member is in compliance, in all material respects, with the USA PATRIOT Act.

(c) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Company.

5.17. Status under Certain United States Statutes.

(a) Neither the Company, the FOXTEL Partnership, the FOXTEL Television Partnership nor any Member Guarantor is required to register as an "investment company" under the Investment Company Act, either before or after giving effect to the offer and sale of the Notes with the benefit of the Member Guarantees and the application of the proceeds thereof and (b) no Member is subject to regulation under the United States Federal Power Act, as amended.

5.18. Environmental Matters.

(a) No Member has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against such Member or any of its real properties now or formerly owned, leased or operated by such Member or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) No Member has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(c) No Member has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(d) All buildings on all real properties now owned, leased or operated by any Member are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.19. Ranking of Obligations.

All liabilities of the Obligor and each Partner under the Finance Documents to which it is a party will, upon issuance of the Notes, rank ~~(i) at least~~ at least *pari passu* in right of payment ~~and are secured equally and ratably with Indebtedness of the Obligor or such Partner, as the case may be, that has the benefit of Security over the Secured Property of the Obligor or such Partner, as the case may be, as set forth in the Security Trust Deed, and (ii) *pari passu* in right of payment with all other Indebtedness of the Obligor or such Partner, as the case may be, and senior to such Indebtedness to the extent of the Security over the Secured Property, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Obligor or such Partner, as the case may be.~~

5.20. Representations of Member Guarantors.

The representations and warranties of each Member Guarantor contained in its Member Guarantee are true and correct as of the date they are made and as of the date of Closing.

5.21. Not a Trustee.

No Transaction Party (i) enters into any Finance Document as the trustee of any trust or (ii) holds any assets as the trustee of any trust.

5.22. Immunity.

No Transaction Party nor any property of any Transaction Party has immunity from the jurisdiction of a court or from legal process.

~~5.23. Secured Property.~~

~~(a) The Secured Property includes all, or substantially all, of the assets of each Member.~~

~~(b) The Security granted by each Transaction Party is in full force and effect and is effective security over the Secured Property of such Transaction Party subject to such Security.~~

~~5.24. Status under the Security Trust Deed.~~

~~Under and pursuant to the Security Trust Deed:~~

~~(a) each of this Agreement, the Notes and the Member Guarantees constitutes a “Binding Transaction Document” and a “Participating Finance Arrangement Document”;~~

~~(b) each holder of a Note from time to time constitutes a “New Financier” and a “New Beneficiary”;~~

~~(c) the Company constitutes a “Borrower”; and~~

~~(d) the Obligor, each Partner and each Member Guarantor constitutes a “Transaction Party”.~~

5.23. ~~5.25.~~ Solvency, Etc.

The Obligor and each Partner is, and after giving effect to this Agreement will be, solvent and able to pay all of its debts as and when they become due and payable (which, for the avoidance of doubt, includes all contingent liabilities) and, in the case of contingent liabilities, after taking into account contributions from others. Entering into this Agreement is in the Obligor's and each Partner's best interests and for its commercial benefit.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1. Purchase for Investment.

Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only subject to the requirements of Section 15.2 and, in any case, if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that neither the Obligor nor the Partners are required to register the Notes.

6.2. Investment Company Act.

(a) Each Purchaser that is a U.S. Person severally represents that it is a Qualified Purchaser.

(b) Each Purchaser represents to and agrees with the Obligor and the Partners that it will not offer, sell, pledge or otherwise transfer any Note to any Person unless such Person delivers a QP Transfer Certificate to the Obligor, as set forth in Section 15.2.

6.3. Australian Matters, etc.

(a) Each Purchaser represents that it is not an Associate.

(b) Each Purchaser acknowledges that it has been advised by the Obligor that no prospectus or other disclosure document in relation to the Notes has been or will be lodged with ASIC or ASX Limited by or on behalf of the Obligor or the FOXTEL Group. Each Purchaser represents and agrees that it:

(1) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(2) has not distributed or published, and will not distribute or publish, the Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and (ii) such action complies with all applicable laws and regulations.

(c) Each Purchaser agrees that, in connection with the primary distribution of the Notes to occur at the Closing, it will not sell Notes (or an interest or right in respect of any Note) to (A) any Person who has been identified to such Purchaser in writing by the Obligor to be an Associate other than as permitted under section 128F(5) of the Australian Tax Act, or (B) any other Person if, at the time of such sale, the employees of the Purchaser aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by such an Associate other than as permitted under section 128F(5) of the Australian Tax Act.

(d) Each Purchaser represents that it is purchasing the Notes in connection with the carrying on of a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets.

7. INFORMATION AS TO THE FOXTEL GROUP.

7.1. Financial and Business Information.

The Obligor shall deliver to each holder of Notes that is an Institutional Investor:

(a) Interim Statements — promptly after the same are available and in any event within 30 Business Days after the end of each semiannual fiscal period in each fiscal year of the FOXTEL Group, copies of the unaudited management accounts of the FOXTEL Group (on an aggregated basis) for such semiannual fiscal period, setting forth in each case in comparative form the figures for the corresponding period in the previous fiscal year, all in reasonable detail, and certified by a Senior Financial Officer as giving a true and fair view of the financial position of the FOXTEL Group as at the end of such semiannual fiscal period and of the FOXTEL Group's financial performance for such period;

(b) Annual Statements — promptly after the same are available and in any event within 90 days after the end of each fiscal year of the FOXTEL Group, copies of an audited Financial Report of the FOXTEL Group (on an aggregated basis) for such year, setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with Relevant GAAP, where applicable for special purpose accounts, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such Financial Report gives a true and fair view of the financial position of the FOXTEL Group as at the end of such fiscal year and of the FOXTEL Group's financial performance for such fiscal year, and that the audit related to such Financial Report has been made in accordance with Australian Auditing Standards (as such term is used and defined in such accountants' opinion, and as the wording of such accountants' opinion may be updated or amended from time to time in accordance with industry practice and standards), where applicable for special purpose accounts;

(c) ASX, ASIC, SEC and Other Reports — promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice or proxy statement or similar document sent by the Obligor, either Partner or any Member to the FOXTEL Group's principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to any Member's public securities holders generally and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), each prospectus and all amendments thereto related to the FOXTEL Group or any Member and filed by the Obligor, either Partner or any Member with the ASX Limited, ASIC, the New York Stock Exchange, the United States Securities Exchange Commission or any similar Governmental Authority, stock exchange or securities exchange and all press releases and other statements made available generally by the Obligor, either Partner or any Member to the public, in each case concerning developments that are Material;

(d) Notice of Default or Event of Default — promptly and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Obligor and the Partners are taking or propose to take with respect thereto;

(e) Employee Benefit Matters — promptly and in any event within 30 days after receipt thereof, copies of any notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans, together with a description of the action, if any, that the Obligor proposes to take with respect thereto;

(f) Notices from Governmental Authority — promptly, and in any event within 30 days of receipt thereof, copies of any notice to any Member from any Governmental Authority (or any such notice to any Partner that has been provided to any Member) relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Requested Information — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of any Member or relating to the ability of the Obligor or the Partners to perform its respective obligations under the Finance Documents to which it is a party, as from time to time may be reasonably requested by any such holder of Notes, including information readily available to the Obligor or either Partner explaining the financial statements of the FOXTEL Group or any Reporting Member if such information has been requested by the SVO in order to assign or maintain a designation of the Notes; and

(h) Group Structure Diagram – an updated Group Structure Diagram at any time that the then current Group Structure Diagram becomes incorrect or misleading.

7.2. Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer of the Obligor setting forth:

(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Obligor and the Partners, as the case may be, were in compliance with the requirements of Sections ~~10.5, 10.7 and 10.8~~ 10.5 through 10.8 hereof, inclusive, and any Additional Covenants, during the interim or annual period covered by the statements then being furnished (including with respect to each such Section and any Additional Covenants, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections and ~~the calculation of the amount, ratio or percentage then in existence~~ Additional Covenants, and the calculation of the amount, ratio or percentage then in existence (including, in the case of Section 10.8, a calculation of any pro forma adjustment to EBITDA as a result of any acquisitions or disposals during the applicable period)); provided that, (i) if none of the Obligor, the Partners or any Member, as the context requires, has been party to a Disposition during the relevant period covered by such certificate, then such certificate shall state such fact and information and calculations with respect to Section 10.5 shall not be included in such certificate, (ii) if all outstanding Indebtedness of each Member (other than the Obligor and any Member Guarantor) as of the last day of the relevant period covered by such certificate is permitted under clauses (i) through (v) of Section 10.6(a), then such certificate shall state such fact and information and calculations with respect to Section 10.6(a)(vi) need not be included in such certificate, and (iii) if all Liens on property and assets of the Obligor and any Member as of the last day of the relevant period covered by such certificate are permitted under clauses (i) through (vi) of Section 10.6(b), then such certificate shall state such fact and information and calculations with respect to Section ~~10.5 shall~~ 10.6(b)(vii) need not be included in such certificate; and

(b) Event of Default — a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the FOXTEL Group from the beginning of the interim or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Obligor or any Member to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Obligor shall have taken or proposes to take with respect thereto.

~~As provided in Section 24(c), on and from the Security Release Date, Subsection (a) above shall be deemed to be deleted and replaced in its entirety by the applicable provision set forth in Part (A) of Exhibit 24.~~

7.3. Visitation.

The Obligor and the Partners shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Obligor and/or the Partners (as applicable), to visit the principal executive office of the Obligor and each Partner, to discuss the affairs, finances and accounts of the Obligor, the Members and the Partners with the Obligor's and the Partners' officers and (with the consent of the Obligor, which consent will not be unreasonably withheld) the Obligor's independent public accountants, and (with the consent of the Obligor and the Partners, which consent will not be unreasonably withheld) to visit the other offices and properties of the Obligor, each Partner and each Member ~~and to inspect any Secured Property~~, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default — if a Default or Event of Default then exists, at the expense of the Obligor to visit and inspect any of the offices or properties of the Obligor, the Partners or any Member ~~(including any Secured Property)~~, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Obligor and the Partners authorize said accountants to discuss the affairs, finances and accounts of the Obligor, the Partners and the Members), all at such times and as often as may be requested.

7.4. Limitation on Disclosure Obligation.

Neither the Obligor nor any Partner shall be required to disclose the following information pursuant to Section 7.1(c), 7.1(f), 7.1(g) or 7.3:

(a) information that the Obligor or either Partner determines after consultation with counsel qualified to advise on such matters (which may be in-house counsel) that, notwithstanding the confidentiality requirements of Section 22, the Obligor or such Partner, as applicable, would be prohibited from disclosing by applicable law or regulations without making public disclosure thereof;

(b) information that the Obligor or either Partner determines after consultation with counsel qualified to advise on such matters (which may be in-house counsel) is legally privileged and the disclosure of which would waive such privilege to the detriment of the Obligor or either Partner; and

(b) information that, notwithstanding the confidentiality requirements of Section 22, the Obligor or either Partner is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Obligor or such Partner, as applicable, and not entered into in contemplation of this clause (b), provided that the Obligor and the Partners shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information and provided further that the Obligor or the applicable Partner, as the case may be, have received a written opinion of counsel (which may be in-house counsel) confirming that disclosure of such information without consent from such other contractual party would constitute a breach or would result in a substantial risk of breach of such agreement.

Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Obligor or the applicable Partner will provide such holder with a written opinion of counsel (which may be in-house counsel and which may be addressed to the Obligor or such Partner, as applicable) relied upon as to any requested information that the Obligor or the applicable Partner, as the case may be, is prohibited from disclosing to such holder under circumstances described in this Section 7.4.

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1. Maturity.

As provided therein, the entire unpaid principal balance of the Series A Notes, the Series B Notes, and the Series C Notes shall be due and payable on September 24, 2014, September 24, 2016, and September 24, 2019, respectively.

8.2. Optional Prepayment with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.6), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Prepayment for Tax Reasons.

If at any time as a result of a Change in Tax Law (as defined below) the Company, the Guarantor or either Partner (assuming, in the case of the Guarantor or such Partner, that the Guarantor or such Partner, as applicable, is required to make a payment pursuant to Section 14) is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes, the Company may give the holders of all affected Notes irrevocable written notice (each, a “**Tax Prepayment Notice**”) of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Company, the Guarantor or either Partner to make any Additional Payments and the amount thereof and stating that all of the affected Notes shall be prepaid on the date of such prepayment at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment plus an amount equal to the Modified Make-Whole Amount for each such Note, except in the case of an affected Note if the holder of such Note shall, by written notice given to the Company no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such Note (each, a “**Rejection Notice**”). Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Modified Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to each Note covered thereby that execution and delivery thereof by the holder of such Note shall operate as a permanent waiver of such holder’s right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note (but not of such holder’s right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Note. The Tax Prepayment Notice having been given as aforesaid to each holder of the affected Notes, the principal amount of such Notes together with interest accrued thereon to the date of such prepayment plus the Modified Make-Whole Amount shall become due and payable on such prepayment date, except in the case of Notes the holders of which shall timely give a Rejection Notice as aforesaid. Two Business Days prior to such prepayment, the Company shall deliver to each holder of a Note being so prepaid a certificate of a Senior Financial Officer specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Obligor and the Partners to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

The Company may not offer to prepay or prepay Notes pursuant to this Section 8.3 (a) if a Default or Event of Default then exists, (b) until the Obligor or the Partners, as the case may be, shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (c) if the obligation to make such Additional Payments directly results or resulted from actions taken by any Transaction Party or any other Member (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

For purposes of this Section 8.3: “**Additional Payments**” means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a “**Change in Tax Law**” means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of Australia or any political subdivision thereof after the date of the Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of the Closing, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Obligor or either Partner, as the case may be (which shall be evidenced by an Officer’s Certificate of the Obligor or such Partner and supported by a written opinion of counsel having recognized expertise in the field of taxation in the Taxing Jurisdiction (which may be in-house counsel), both of which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law), affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

8.4. Prepayments in Connection with a Change of Control.

If a Change of Control shall occur, the Company shall within five days thereafter give written notice thereof (a “**Change of Control Prepayment Notice**”) to each holder of Notes, which notice shall (i) refer specifically to this Section 8.4 and describe in reasonable detail such Change of Control and (ii) offer to prepay on a Business Day not less than 30 days and not more than 60 days after the date of such Change of Control Prepayment Notice (the “**Change of Control Prepayment Date**”) the Notes of such holder, at 100% of the principal amount thereof, together with interest accrued thereon to the Change of Control Prepayment Date, and specify the Change of Control Response Date (as defined below). Each holder of a Note shall notify the Company of such holder’s acceptance or rejection of such offer by giving

written notice of such acceptance or rejection to the Company on a date at least ten days prior to the Change of Control Prepayment Date (such date ten days prior to the Change of Control Prepayment Date being the “**Change of Control Response Date**”). The Company shall prepay on the Change of Control Prepayment Date all of the Notes held by each holder that has accepted such offer in accordance with this Section 8.4 at a price in respect of each such Note held by such holder equal to 100% of the principal amount thereof, together with interest accrued thereon to the Change of Control Prepayment Date. The failure by a holder of any Note to respond to such offer in writing on or before the Change of Control Response Date shall be deemed to be a rejection of such offer.

8.5. Prepayments in Connection with Asset Dispositions.

If the Company is required to offer to prepay Notes in accordance with (and in the aggregate amount calculated pursuant to) Section 10.5(f), the Company will give prompt written notice thereof to the holders of all Notes then outstanding, which notice shall (i) refer specifically to this Section 8.5 and describe in reasonable detail the Disposition giving rise to such offer to prepay Notes, (ii) specify the principal amount of each Note held by such holder offered to be prepaid (if the Notes are offered to be prepaid in part, determined in accordance with Section 8.6, the “**Ratable Amount**”), (iii) specify a Business Day for such prepayment not less than 30 days and not more than 60 days after the date of such notice (the “**Disposition Prepayment Date**”) and specify the Disposition Response Date (as defined below) and (iv) offer to prepay on the Disposition Prepayment Date the outstanding principal amount of each Note (or, if the Notes are offered to be prepaid in part, the Ratable Amount of each Note), together with interest accrued thereon to the Disposition Prepayment Date (the “**Prepayment Amount**”). Each holder of a Note shall notify the Company of such holder’s acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on a date at least ten days prior to the Disposition Prepayment Date (such date ten days prior to the Disposition Prepayment Date being the “**Disposition Response Date**”). The Company shall prepay on the Disposition Prepayment Date the Prepayment Amount with respect to each Note held by the holders who have accepted such offer in accordance with this Section 8.5. The failure by a holder of any Note to respond to such offer in writing on or before the Disposition Response Date shall be deemed to be a rejection of such offer. If any holder of a Note rejects or is deemed to have rejected any offer of prepayment with respect to such Note in accordance with this Section 8.5, then, for purposes of determining compliance with Section 10.5(f), the Company nevertheless shall be deemed to have made a prepayment of Indebtedness in an amount equal to the Ratable Amount with respect to such Note.

8.6. Allocation of Partial Prepayments and Offers of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.2 and in the case of each offer of partial prepayment of the Notes pursuant to Section 8.5, the Company shall prepay or offer to prepay, as the case may be, the same percentage of the unpaid principal amount of the Notes of each series, and the principal amount of the Notes of each series so to be prepaid or offered to be prepaid, as the case may be, shall be allocated among all of the Notes of such series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.7. Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date, and the applicable Make- Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make- Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.8. Purchase of Notes.

The Obligor will not, and the Obligor will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment or prepayment of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.9. Make-Whole Amount and Modified Make-Whole Amount.

The terms “**Make-Whole Amount**” and “**Modified Make-Whole Amount**” mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and the Modified Make-Whole Amount, the following terms have the following meanings:

“**Applicable Percentage**” in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3 means 1.00% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means 0.50% (50 basis points).

“**Called Principal**” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“**Discounted Value**” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued, actively traded, on the run U.S. Treasury securities having a maturity equal to the remaining term of such Note as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the remaining term of such Note as of such Settlement Date. In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding sentence, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than the remaining term of such Note and (2) the actively traded U.S. Treasury security with the maturity closest to and less than the remaining term of such Note. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, 8.3 or 12.1.

“Settlement Date” means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Obligor covenants as set forth below and each Partner covenants in respect of itself as set forth in ~~Sections~~Section 9.2 ~~and 9.3~~ below, that so long as any of the Notes are outstanding:

9.1. Compliance with Law.

Without limiting Section 10.4, the Obligor will, and will cause each Member to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including without limitation (but only to the extent applicable thereto), ERISA, the USA PATRIOT Act and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. Insurance.

The Obligor and each Partner will, and the Obligor will cause each Member to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. ~~Maintenance of Secured Property; Further Assurances; Actions with respect to Secured Property.~~ Maintenance of Properties.

~~The Obligor and each Partner will, and the Obligor will cause each Member Guarantor to, do everything reasonably necessary to:~~

~~(a) preserve and protect the value of its Secured Property;~~

~~(b) keep its Secured Property in a good state of repair and in good working order and condition and allowing for wear and tear;~~

~~(c) protect and enforce (i) its title to any part of its Secured Property and (ii) the title of the Security Trustee as mortgagee of the Secured Property;~~

~~(d) without limiting the generality of clauses (a) through (c) above, (i) ensure that it is recorded in all applicable registers with any Governmental Authority as the owner or proprietor of the Intellectual Property, interests in real property, domain names and other assets owned by it in respect of which registration of an interest is necessary and (ii) comply with all Liens affecting its Secured Property and the obligations secured by those Liens;~~

~~(e) remedy every defect in its title to any part of its Secured Property;~~

~~(f) take or defend all legal proceedings to protect or recover its Secured Property;~~

~~(g) keep its Secured Property valid and subsisting and free from liability to forfeiture, cancellation, avoidance or loss;~~

~~(h) do anything that the Facility Agent or the Required Holders reasonably requests that (i) more satisfactorily charges or secures the priority of its Security, or secures to the Security Trustee its Secured Property in a manner consistent with any provision of any Finance Document or (ii) aids in the exercise of the proper enforcement of any security, in each of the foregoing cases including the execution of any document, the delivery of Title Documents or the execution and delivery of blank transfers;~~

~~(i) at the request of the Facility Agent or the Required Holders, (i) execute a legal or statutory mortgage in favor of the Security Trustee over any real property or leasehold interest acquired by it on or after the date of this Agreement in form and substance required by the Facility Agent or the Required Holders, provided that neither the Facility Agent nor the Required Holders can require an obligation which is more onerous than any obligation contained in any Finance Document and (ii) use its best endeavors to register any mortgage executed under the foregoing clause (i);~~

~~(j) deposit with the Security Trustee all Title Documents in respect of any of its Secured Property which is subject to a fixed charge created under its Security immediately on (i) its execution of its Security, (ii) acquisition of any asset which forms part of its Secured Property and is subject to the fixed charge created by its Security and (iii) the floating charge which is created by its Security crystallising and fixing;~~

~~(k) ensure that its Security is registered and filed in all registers in all jurisdictions in which it must be registered and filed to ensure the enforceability, validity and priority of the Security against all persons and to be effective as a security;~~

~~(l) cause any caveat which is lodged in respect of its Secured Property, other than a caveat lodged by the Finance Parties (as defined in the Security Trust Deed), to be removed as soon as reasonably practicable but in any event within 20 Business Days after the date that it becomes aware of its existence; and~~

~~(m) other than the Partners in their personal capacity, ensure that if it enters into any Material New Agreement it will:~~

~~(i) ensure that the terms of such Material New Agreement are such that its interest in it can be assigned or charged by it in favor of the Security Trustee without the necessity for any consent; and~~

~~(ii) at the same time (A) grant security in favor of the “Finance Parties” (as defined in the Security Trust Deed) in respect of its rights under such Material New Agreement and (B) issue a notice of charge to each counterparty to such Material New Agreement.~~

~~Without limiting the generality of the foregoing, the Obligor will provide notice to ASIC of the notice referred to in Section 4.13(b) on ASIC Form 311B within forty five days after the date of Closing and will promptly inform each holder of Notes that such notice has been provided. will, and will cause each Member to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Obligor or any Member from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Obligor has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.~~

9.4. Payment of Taxes.

The Obligor will, and will cause each Member to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Obligor or any Member, provided that neither the Obligor nor any Member need file any such return nor pay any such tax, assessment, charge or levy if (i) the amount, applicability or validity thereof is contested by the Obligor or such Member on a timely basis in good faith and in appropriate proceedings, and the Obligor or such Member has established adequate reserves therefor in accordance with Relevant GAAP on the books of the Obligor or such Member or (ii) the failure to file all such returns or the nonpayment of all such taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5. Corporate Existence, Etc.

(a) The Obligor will, and will cause each Member Guarantor to, at all times preserve and keep in full force and effect its respective corporate or other organizational existence.

(b) Neither the Obligor nor any Member Guarantor shall (i) transfer its jurisdiction of incorporation or (ii) enter into any scheme under which it ceases to exist or under which its assets or liabilities are vested in or assumed by another Person.

Notwithstanding the foregoing, nothing herein shall prohibit a restructuring, merger and/or consolidation of the FOXTEL Group, provided that the Company remains the obligor under the Notes and the assets and property transferred pursuant to such restructuring, merger and/or consolidation are transferred only between or among the Obligor and/or the Member Guarantors (any such restructuring, merger and/or consolidation, a “**Permitted Restructuring**”).

9.6. Books and Records.

The Obligor will, and will cause each Reporting Member to, maintain proper books of record and account in conformity with Relevant GAAP and all applicable material requirements of any Governmental Authority having legal or regulatory jurisdiction over the Obligor or such Reporting Member, as the case may be.

9.7. Priority of Obligations.

The Obligor and each Partner will ensure that its payment obligations under the Finance Documents to which it is a party will at all times rank ~~(+) at least~~ at least *pari passu* in right of payment ~~and are secured equally and ratably with Indebtedness of the Obligor or such Partner, as the case may be, that has the benefit of Security over the Secured Property of the Obligor or such Partner, as the case may be, as set forth in the Security Trust Deed and (ii) *pari passu* in right of payment with all other, without preference or priority, with all other unsecured and unsubordinated~~ Indebtedness of the Obligor or such Partner, as the case may be, ~~and senior to such Indebtedness to the extent of the Security over its respective Secured Property.~~

9.8. Member Guarantees; Release.

(a) The Obligor will ensure that each Member that (i) has outstanding a Guaranty with respect to any Facility Agreement (or is otherwise a co-obligor or jointly liable with respect to any Indebtedness outstanding under any Facility Agreement) or (ii) after the date of this Agreement becomes a Wholly-Owned Subsidiary of any one or more Members, will, within 30 days thereafter, become a Member Guarantor.

(b) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to execute and deliver a Member Guarantee to each holder of Notes and provide the following to each holder of Notes:

(i) a certificate signed by a director or an appropriate officer of such Member confirming that such Member is, and after giving the Member Guarantee will be, solvent and able to pay all of its debts as and when they become due and payable; and

(ii) an opinion in form and substance reasonably satisfactory to the Required Holders from legal counsel to such Member in the appropriate jurisdiction(s) confirming that (A) such Member Guarantee shall have been duly authorized and executed and (B) such Member Guarantee is enforceable in accordance with its terms (subject to any usual and customary exceptions) and covering such other matters incidental thereto as may be reasonably requested by the Required Holders.

~~(c) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to execute and deliver to the Security Trustee a Security in form and substance satisfactory to the Security Trustee (acting reasonably) to secure the Secured Moneys.~~

~~(d) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to duly stamp each relevant document referred to in this Section 9.8.~~

~~(e) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to provide to the Security Trustee all duly completed forms, notices and other documents required to register or file with the appropriate Governmental Authority each relevant document referred to in this Section 9.8.~~ Except pursuant to (i) a Permitted Restructuring whereby a Member Guarantor ceases to exist and (ii) a disposition of shares of stock of a Member Guarantor permitted under clause (f) of Section 10.5 whereby a Member Guarantor ceases to be a Member or a Wholly-Owned Subsidiary of any one or more Members (provided that this clause (ii) is without prejudice to the requirement of clause (a) above), no Member Guarantor may be released from its obligations under its Member Guarantee without the prior written consent of the Required Holders. Upon the effectiveness of any such consent to the release of any Member Guarantor, upon notice thereof by the Obligor to each holder of a Note, such Member Guarantor shall cease to be a Member Guarantor and shall be automatically released from its obligations under its Member Guarantee as of the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any holder of a Note or any other Person. ~~Upon the release of any Member as a Member Guarantor, the holders of Notes shall take those actions reasonably requested by any Transaction Party or the Security Trustee necessary to release such Member from its obligations under each Security Document to which it is a party.~~

9.9. Intellectual Property.

The Obligor will, and will cause each Member Guarantor to, (i) own or have the right and license to use the Intellectual Property and (ii) maintain, preserve and protect the Intellectual Property.

9.10. Rating.

The Obligor will maintain at all times an issuer or long term senior (secured or unsecured) debt credit rating from Fitch, Moody's or S&P.

9.11. Most Favored Lender Status.

(a) Subject to the following clause (b), if at any time (i) any Facility Agreement or (ii) the 2012 USPP Note Agreement (each, a “Reference Agreement”) includes provisions (or definitions related thereto) requiring compliance with a financial ratio (however expressed, including without limitation as a covenant, as an event of default, as a review event or as a mandatory prepayment provision), in any event that is not otherwise included in this Agreement on a materially equivalent basis or that would be more beneficial to the holders of Notes than the relevant similar covenant or like provisions contained in this Agreement (any such provision (or definitions related thereto), an “Additional Covenant”), then the Obligor shall within 30 days thereafter provide notice thereof to the holders of Notes, which notice shall refer specifically to this Section 9.11 and describe in reasonable detail any Additional Covenants. Unless waived in writing by the Required Holders within five Business Days of the holders’ receipt of such notice, each Additional Covenant set forth in such notice shall be deemed incorporated by reference into this Agreement, *mutatis mutandis*, as if set forth fully herein effective as of the date when such Additional Covenants became effective under the applicable Reference Agreement.

(b) Provided that no Default or Event of Default shall have occurred and be continuing, any Additional Covenant shall be deemed automatically (x) amended, waived or otherwise modified in this Agreement at such time as each holder of Notes shall have received notice in writing from the Obligor certifying that such Additional Covenant shall have been so amended, waived or otherwise modified under the applicable Reference Agreement (including, without limitation, as a result of the application of any provision contained therein with respect to changes in accounting principles) and (y) deleted from this Agreement at such time as each holder of Notes shall have received notice in writing from the Obligor certifying that such Additional Covenant shall have been deleted from the applicable Reference Agreement, or that the applicable Reference Agreement shall have been terminated and that no amounts are outstanding thereunder. If the Obligor or any Member shall pay any fee or other compensation to any Person party to the applicable Reference Agreement as an inducement to receiving any amendment, waiver, modification, deletion or termination that is the subject of any notice set forth in the foregoing clause (x) or (y), such amendment, waiver, modification, deletion or termination shall not become effective under this Agreement until the Obligor shall have paid the same level of fee or other compensation to each holder of Notes (whether a flat fee or flat compensation or based on a percentage or other metric of outstanding obligations or otherwise).

(c) Notwithstanding anything set forth in this Section 9.11, no covenant (however expressed) contained in this Agreement as of April 2, 2012 after giving effect to Amendment No. 1 and Amendment No. 2 shall be deemed deleted from this Agreement or made less restrictive than the level set with respect to such covenant (however expressed) as of such date, unless amended or otherwise modified in accordance with Section 19.

(d) Upon the request by the Obligor or any holder of a Note, the Obligor and the holders of Notes shall enter into an additional agreement or an amendment to this Agreement (as agreed between the Obligor and the Required Holders working in good faith) evidencing any of the foregoing.

10. NEGATIVE COVENANTS.

The Obligor covenants as set forth below and each Partner covenants in respect of itself as set forth in Sections 10.4, 10.5 and 10.6**(b)** below, that so long as any of the Notes are outstanding:

10.1. Transactions with Affiliates.

The Obligor will not, and will not permit any Member Guarantor to, enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Obligor or any Member Guarantor), except pursuant to the reasonable requirements of the Obligor's or the applicable Member Guarantor's business, as the case may be, and upon fair and reasonable terms no less favorable to the Obligor or such Member Guarantor than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2. Merger, Consolidation, Etc.

The Obligor will not, and will not permit any Member Guarantor to, enter into any scheme of arrangement, merger or consolidation. Notwithstanding the foregoing, nothing herein shall prohibit a Permitted Restructuring.

10.3. Line of Business.

The Obligor will not, and will not permit any Member Guarantor to, engage in any business if, as a result, the general nature of the business in which the FOXTEL Group, taken as a whole, would then be engaged would be substantially changed from the general nature of the Business.

10.4. Terrorism Sanctions Regulations.

The Obligor and the Partners will not, and the Obligor will not permit any Member to, (a) become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order or (b) knowingly engage in any dealings or transactions with any such Person.

10.5. Sale of Assets.

~~Subject to Section 24, the~~The Obligor and the Partners will not, and the Obligor will not permit any Member to, sell, transfer, or otherwise dispose ~~of any Secured Property~~.

(collectively, a “Disposition” (collectively, a “Disposition”) of any of their properties or assets (excluding, in the case of any Partner, any such property or assets that do not constitute Partnership Property of such Partner), except:

~~(a)~~ (a) Dispositions constituting the creation of a Lien not prohibited under Section 10.6; (b);

~~(b)~~ Dispositions to the Obligor or any Member Guarantor; provided, that, the relevant property or asset will at all times remain subject to a Security;

~~(c)~~ Dispositions of property or assets in exchange for other properties or assets of comparable value and utility;

~~(d)~~ Dispositions of worn out, obsolete or redundant property or assets;

~~(e)~~ Dispositions on arms length terms of property or assets not required for the efficient operation of the Business; and

~~(f)~~ other Dispositions, provided that any such Disposition is for fair market value and (i) the aggregate book value of the Secured Property subject to all such Dispositions pursuant to this clause (f) during any fiscal year of the FOXTEL Group does not exceed 10% of Total Assets as at the end of the immediately preceding fiscal year of the FOXTEL Group (the “Disposition Cap”) or (ii) within 365 days after any such Disposition or portion thereof that would cause the Disposition Cap to be exceeded, the net after tax proceeds of such Disposition (or relevant portion thereof, as the case may be) are used to (x) purchase productive assets for use by the Obligor or any Member Guarantor in the Business or (y) repay or prepay any Indebtedness of the Obligor or any Member Guarantor that is secured pursuant to the Security Documents; provided that, the Company has, on or prior to the application of any net after tax proceeds to the repayment or prepayment of any Indebtedness pursuant to the foregoing clause (y), (1) offered to prepay the Notes with such net after tax proceeds (in whole or, if the aggregate outstanding principal amount of the Notes at such time exceeds such net after tax proceeds, in part) in accordance with Section 8.5 or (2) offered to prepay the Notes *pro rata* with all such Indebtedness in accordance with Section 8.5, whereby the aggregate principal amount of the Notes subject to such offer of prepayment shall be equal to the product of (A) the net after tax proceeds being so applied and (B) a fraction, the numerator of which is the aggregate outstanding principal amount of the Notes at such time and the denominator of which is the aggregate outstanding principal amount of Indebtedness (including the Notes) receiving any repayment or prepayment (or offer thereof) pursuant to the foregoing clause (y); and provided further, that for purposes of this Section 10.5, “net after tax proceeds” shall mean the gross proceeds from such Disposition net of any taxes, costs and expenses associated therewith.

~~Any Disposition of shares of stock of any Member shall, for purposes of this Section 10.5, be valued at an amount that bears the same proportion to the total assets of such Member as the number of such shares bears to the total number of shares of stock of such Member.~~

~~Upon the Disposition of Secured Property in accordance with this Section 10.5, subject to any requirements of this Section 10.5 that such Secured Property continue to be subject to a Security and further subject to there not existing at such time any Default or Event of Default, the holders of Notes consent to such Secured Property being released from each Security to which it is subject and shall take those actions (at no cost or expense to such holders) reasonably requested by any Transaction Party or the Security Trustee necessary to release such Secured Property from such Security.~~

~~As provided in Section 24(e), on and from the Security Release Date, this Section shall be deemed to be deleted and replaced in its entirety by the provision set forth in Part (B) of Exhibit 24.~~

(b) Dispositions to the Obligor or any Member Guarantor;

(c) Dispositions of property or assets in exchange for other properties or assets of comparable value and utility;

(d) Dispositions of worn out, obsolete or redundant property or assets;

(e) Dispositions on arms length terms of property or assets not required for the efficient operation of the Business; and

(f) other Dispositions, provided that any such Disposition is for fair market value and (i) the aggregate book value of the properties and assets subject to all such Dispositions pursuant to this clause (f) during any fiscal year of the FOXTEL Group does not exceed 10% of Total Assets as at the end of the immediately preceding fiscal year of the FOXTEL Group (the “Disposition Cap”) or (ii) within 365 days after any such Disposition or portion thereof that would cause the Disposition Cap to be exceeded, the net after-tax proceeds of such Disposition (or relevant portion thereof, as the case may be) are used to (x) purchase productive assets for use by the Obligor or any Member Guarantor in the Business or (y) repay or prepay any unsubordinated Indebtedness of the Obligor or any Member Guarantor or any Indebtedness of any Member that is not a Member Guarantor (other than Indebtedness owing to the Obligor, a Member or a Partner); provided that, the Obligor has, on or prior to the application of any net after-tax proceeds to the repayment or prepayment of any Indebtedness pursuant to the foregoing clause (y), (1) offered to prepay the Notes with such net after- tax proceeds (in whole or, if the aggregate outstanding principal amount of the Notes at such time exceeds such net-after tax proceeds, in part) in accordance with Section 8.5 or (2) offered to prepay the Notes *pro rata* with all such Indebtedness in accordance with Section 8.5, whereby the aggregate principal amount of the Notes subject to such offer of prepayment shall be equal to the product of (A) the net after-tax proceeds being so applied and (B) a fraction, the numerator of which is the aggregate outstanding principal amount of the Notes at such time and the denominator of which is the aggregate outstanding principal amount of Indebtedness (including the Notes) receiving any repayment or prepayment (or offer thereof) pursuant to the foregoing clause (y); and provided further, that for purposes of this Section 10.5, “net after-tax proceeds” shall mean the gross proceeds from such Disposition net of any taxes, costs and expenses associated therewith.

Any Disposition of shares of stock of any Member shall, for purposes of this Section 10.5, be valued at an amount that bears the same proportion to the total assets of such Member as the number of such shares bears to the total number of shares of stock of such Member.

10.6. ~~Liens.~~ Member Indebtedness; Liens.

(a) The Obligor will not permit any Member (other than the Obligor) to create, assume, incur or guaranty or otherwise be or become liable in respect of any Indebtedness, other than:

(i) Indebtedness secured by Liens of any Member permitted pursuant to Section 10.6(b)(v) or, to the extent applicable to a Lien incurred pursuant to Section 10.6(b)(v), Section 10.6(b)(vi);

(ii) Indebtedness of any Member Guarantor;

(iii) Indebtedness owing to the Obligor or to any other Member;

(iv) Indebtedness of each Person that becomes a Member or that merges into or consolidates with the Obligor or any Member, and which Indebtedness (x) was outstanding on the date that such Person so becomes a Member or merges into or consolidates with either Obligor or any Member and (y) was not incurred in contemplation of such Person becoming a Member or merging into or consolidating with the Obligor or any Member;

(v) any extension, renewal or refunding of any Indebtedness permitted pursuant to clause (a)(i) or (iv) above, provided that the principal amount of such Indebtedness is not increased; and

(vi) Indebtedness incurred by any Member in addition to Indebtedness described in clauses (a)(i) through (v) above, provided that immediately after giving effect thereto the sum (without duplication) of (i) the aggregate outstanding principal amount of all Indebtedness of all Members (other than Indebtedness excluded pursuant to any of clauses (a)(i) through (v) above) plus (ii) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to Section 10.6 (b)(vii), shall not exceed 10% of Total Assets at such time.

~~Subject to Section 24, the~~ (b) The Obligor and the Partners will not, and the Obligor will not permit any Member ~~Guarantor~~ to, create, permit or suffer to exist any Lien over all or any property or assets (excluding, in the case of any Partner, any such property or assets that do not constitute ~~Secured Partnership~~ Property of such Partner), whether now owned or hereafter acquired, of the Obligor, either Partner or any Member ~~Guarantor~~, except for:

~~(a) a Security;~~ (i) Liens of any Member (other than the Obligor or any Member Guarantor) in favor of the Obligor or any other Member and Liens of the Obligor or any Member Guarantor in favor of the Obligor or any Member Guarantor;

~~(b) ii~~ (ii) Liens in relation to Capital Leases over STUs and other similar technical equipment; provided, that the aggregate book value of the STUs and other similar technical equipment subject to such Capital Leases at any time does not exceed A\$175,000,000;

~~(c) iii~~ (iii) Liens arising by operation of law in the ordinary course of its ordinary business securing ~~(i) A~~ (i) A an obligation that is not yet due or ~~(ii) B~~ (ii) B if due but unpaid, Indebtedness which is being contested in good faith;

~~(d) Liens only securing Indebtedness where, before any such Lien is created, the Security Trustee receives (i) the benefit of a deed of priority granting first ranking priority to each Security and (ii) documents, evidence and opinions in connection with the Lien requested by it, each in a form and of substance satisfactory to the Security Trustee; iv) Liens in relation to retention of title arrangements entered into in the ordinary course of its business for a period of not more than 120 days;~~

~~(e) Liens in relation to retention of title arrangements entered into in the ordinary course of its business for a period of not more than 120 days; and v) Liens (A) on property or assets acquired, constructed or improved by the Obligor or any Member after the date of Closing, or in rights relating to such property or assets, which Liens are created at the time of acquisition or completion of construction or improvement of such property or assets within 365 days thereafter, to secure Indebtedness assumed or incurred to finance all or any part of the purchase price of the acquisition or cost of construction or improvement of such property or assets, (B) on property or assets at the time of the acquisition thereof by the Obligor or any Member (and not incurred in anticipation thereof), and (C) on property or assets of a Person at the time that such Person becomes a Member, or the Obligor or any Member acquires or leases the properties or assets of such Person as an entirety or substantially as an entirety, or such Person merges into or consolidates with the Obligor or any Member (and in each case not incurred in anticipation thereof), provided that (x) in the case of the foregoing clause (A), the aggregate principal amount of~~

Indebtedness secured by any such Lien in respect of any such property or assets shall not exceed the lower of the cost and the fair market value of such property (or rights relating thereto) and (v) in the case of the foregoing clauses (A), (B) and (C), no such Lien shall extend to or cover any other property or assets of the Obligor or any Member;

(vi) Liens incurred in connection with any extension, renewal, refinancing, replacement or refunding of any Liens (or related Indebtedness) permitted pursuant to clause (v) above, provided that (A) the principal amount of Indebtedness secured thereby immediately before giving effect to such extension, renewal, refinancing, replacement or refunding is not increased and (B) such Lien is not extended to any other property of the Obligor or any Member; and

~~(f) Liens securing Indebtedness which in aggregate does not exceed A\$25,000,000.~~ (vii) Liens securing Indebtedness of the Obligor or any Member in addition to those described in clauses (b)(i) through (vi) above, provided that (x) immediately after giving effect thereto the sum (without duplication) of (1) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to this clause (b)(vii) plus (2) the aggregate outstanding principal amount of all Indebtedness of all Members (other than Indebtedness excluded pursuant to any of clauses (i) through (v) of Section 10.6(a)), shall not exceed 10% of Total Assets at such time and (y) in no event shall the Obligor or any Member create, permit or suffer to exist any Lien securing any Indebtedness under any Facility Agreement pursuant to this clause (b)(vii).

~~As provided in Section 24(e), on and from the Security Release Date, this Section shall be deemed to be deleted and replaced in its entirety by the provision set forth in Part (C) of Exhibit 24.~~

10.7. Interest Cover Ratio.

The Obligor will not permit as of the last day of any fiscal quarter of the FOXTEL Group the ratio of (a) EBITDA to (b) Interest Service, in each case for the twelve month period ending on such day, to be less than 3.50:1.

10.8. Total Debt to EBITDA Ratio.

The Obligor will not permit as of the last day of any fiscal quarter of the FOXTEL Group the ratio of (a) Total Debt on such day to (b) EBITDA for the twelve month period ending on such day, to be greater than 3.75:1; provided, that, for the purposes of this Section 10.8, if any Obligor or other Member acquires or disposes of any entity or business during any twelve month period ending on the last day of any fiscal quarter of the FOXTEL Group, EBITDA for such period shall be determined on a pro forma basis assuming that such acquisition or disposal had occurred as of the first day of such period.

10.9. Distributions.

The Obligor and the Partners (other than a Partner in its personal capacity) will not, and the Obligor will not permit any Member Guarantor to, make any Distribution (including in respect of Subordinated Debt) at any time if a Default or an Event of Default is continuing at such time or would result from such Distribution.

11. EVENTS OF DEFAULT.

An “**Event of Default**” shall exist if any of the following conditions or events shall occur and be continuing:

(a) default shall be made in the payment of any principal or Make-Whole Amount or Modified Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) default shall be made in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) default shall be made by the Obligor or either Partner in the performance of or compliance with any term contained in Section 7.1(d) or Sections 10.5 through 10.9, inclusive, or any Additional Covenant; or

(d) default shall be made by the Obligor or either Partner in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Obligor or either Partner receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf of any Transaction Party or by any officer of Transaction Party in any Finance Document or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) any Transaction Party or any Member is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) any Transaction Party or any Member is in default in the performance of or compliance with any term of any

evidence of any Indebtedness in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than (A) the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests or (B) as a result of a Change of Control or any Disposition requiring any purchase or repayment of Indebtedness (or offer therefor) pursuant to Section 8.4 or 8.5, provided that the Obligor is in compliance with the provisions of Section 8.4 or 8.5, as the case may be), (x) any Transaction Party or any Member has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment), or (y) one or more Persons have the right to require any Transaction Party or any Member so to purchase or repay such Indebtedness; or

(g) any Transaction Party (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, (iii) makes an assignment for the benefit of its creditors as a whole in connection with any bankruptcy, insolvency or reorganization, (iv) consents to the appointment of a custodian, receiver, controller, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, (v) is adjudicated as insolvent or to be liquidated or (vi) takes corporate or other organizational action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by any Transaction Party, a custodian, receiver, controller, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any Transaction Party, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, or any such petition shall be filed against any Transaction Party and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to any Transaction Party which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or (h), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or (h); or

(j) a final judgment or judgments for the payment of money aggregating in excess of A\$25,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of any Transaction Parties and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(k) the Obligor or any Member (i) establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Obligor or such Member thereunder, (ii) fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up or (iii) becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (iii) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

~~(l) the Security Trust Deed or any Security shall cease to be in full force and effect or any Person acting on behalf of any Transaction Party or any Member shall contest in any manner the validity, binding nature, enforceability or priority of the Security Trust Deed or any Security, except in any event in the case of any Security, as otherwise permitted pursuant to this Agreement and the other Finance Documents; or~~

~~(m) a Lien is enforced over any Secured Property for an amount exceeding A\$25,000,000; or~~

~~(n)~~ (i) all or any material part of the ~~Secured Property~~ property of the FOXTEL Group is compulsorily acquired by, or by order of, a Governmental Authority or under law, (ii) a Governmental Authority orders the sale, vesting or divesting of all or any material part of the ~~Secured Property~~ property of the FOXTEL Group or (iii) a Governmental Authority takes a step for the purpose of any of the foregoing, in each case where the value of the ~~Secured Property~~ property concerned exceeds A\$25,000,000;

~~(m) any Person incurring Subordinated Debt breaches any material representation, warranty or undertaking given by it under its Subordination Deed; or~~

~~(n)~~ (e) any Member Guarantee shall cease to be in full force and effect or any Member Guarantor or any Person acting on behalf of any Member Guarantor shall contest in any manner the validity, binding nature or enforceability of any Member Guarantee.

As used in Section 11(k), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1. Acceleration.

(a) If an Event of Default with respect to any Transaction Party described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, without limitation, interest accrued thereon at the Default Rate) and (y) the Make- Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law) shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Obligor and each Partner acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder ~~(including any rights that such holder may have under the Security Trust Deed, as set forth in Section 12.3)~~ by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any other Finance Document, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

~~12.3. Enforcement of Security.~~

~~Any holder of Notes shall have the rights to enforce any Security only as set forth in the Security Trust Deed and not otherwise.~~

12.3. ~~12.4.~~ Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c) (but prior to enforcement being undertaken under any Finance Document), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount or Modified Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) no Transaction Party nor any other Person shall have paid any amounts that have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 19, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. ~~12.5.~~ No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof or by any other Finance Document shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Obligor under Section 17, the Obligor will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. TAX INDEMNIFICATION.

All payments whatsoever under the Finance Documents to which the Obligor or either Partner is a party will be made by the Obligor or such Partner, as the case may be, in lawful currency of the United States of America free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "Taxing Jurisdiction"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Obligor or either Partner under any Finance Document to which it is a party, the Obligor or such Partner, as the case may be, will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the relevant Finance Document after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of the relevant Finance Document before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Excluded Tax;

(b) with respect to a holder of any Note, any Tax that would not have been imposed but for any breach by such holder of any representation made or deemed to have been made by such holder pursuant to Section 6.3(a), 6.3(c) or 6.3(d);

(c) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note (with the benefit of the guarantees of the Guarantor and the Partners hereunder) or the receipt of payments thereunder or in respect thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Obligor or either Partner, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of any Finance Documents are made to, the Taxing Jurisdiction imposing the relevant Tax;

(d) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Obligor or either Partner) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's

reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (d) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Obligor or either Partner no later than 45 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(e) any combination of clauses (a), (b), (c) and (d) above;

and provided further that in no event shall the Obligor or either Partner be obligated to pay such additional amounts to any holder of a Note (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that the Obligor or such Partner would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Obligor or such Partner shall have given timely notice of such law or interpretation to such holder.

By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (d) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Obligor or either Partner all such forms, certificates, documents and returns provided to such holder by the Obligor or such Partner (collectively, together with instructions for completing the same, “Forms”) required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide the Obligor or either Partner with such information with respect to such holder as the Obligor or such Partner may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Obligor or the relevant Partner or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of the Obligor or either Partner (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

In connection with the transfer of any Note, the Obligor will furnish the transferee of such Note with copies of any Form then required pursuant to the preceding paragraph of this Section 13.

If any payment is made by the Obligor or either Partner to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Obligor or such Partner pursuant to this Section 13, then, if such holder has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Obligor or such Partner such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (d) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Obligor or the relevant Partner will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Obligor or such Partner of any Tax in respect of any amounts paid under any Finance Document the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Obligor or such Partner, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If the Obligor or either Partner is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Obligor or such Partner would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Obligor or such Partner will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Obligor or such Partner) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Obligor or either Partner makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Obligor or such Partner (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Obligor or such Partner, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Obligor and the Partners under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

14. GUARANTOR AND PARTNER GUARANTEE, LIMITED RECOURSE, CONSENTS, ETC.

14.1. Guarantee.

The Guarantor and each Partner hereby guarantees to each holder of any Note or Notes at any time outstanding (a) the prompt payment in full, in Dollars, when due (whether at stated maturity, by acceleration, by mandatory or optional prepayment or otherwise) of the principal of, Make-Whole Amount and Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount and Modified Make-Whole Amount, if any, and, to the extent permitted by applicable law, on any overdue interest and on payment of additional amounts described in Section 13) and all other amounts from time to time owing by the Company under this Agreement and the Notes (including, without limitation, costs, expenses and taxes in accordance with the terms hereof), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed hereunder, in each case strictly in accordance with the terms thereof (such payments and other obligations being herein collectively called the “**Guaranteed Obligations**”). The Guarantor and each Partner hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, the Guarantor and such Partner will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by mandatory or optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to the holder of any Note such amounts, to the extent lawful, as shall be sufficient to pay the costs and expenses of collection or of otherwise enforcing any of such holder’s rights under this Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Guarantor and the Partners under Sections 14.1 and 14.2 shall survive the transfer of any Note, and any obligations of the Guarantor and the Partners under Sections 14.1 and 14.2 with respect to which the underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive payment of such Note.

14.2. Obligations Unconditional.

(a) The obligations of the Guarantor and each Partner under Section 14.1 constitute a present and continuing guaranty of payment and not collectibility and are absolute, unconditional and irrevocable, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under this Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any Guaranty of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 14.2 that the obligations of the Guarantor and each Partner hereunder shall be absolute, unconditional and irrevocable under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantor and each Partner hereunder which shall remain absolute, unconditional and irrevocable as described above:

(1) any amendment or modification of any provision of this Agreement (other than Section 14.1 or 14.2), any Member Guarantee or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security or any additional guarantee or any release of any security or guarantee so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of this Agreement, the Notes or any Member Guarantee, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, this Agreement, the Notes or any other agreement;

(5) any transfer of any assets to or from the Company, including without limitation any transfer or purported transfer to the Company from any Person, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company with or into any Person, any change in the ownership of any shares of capital stock of the Company, or any change whatsoever in the objects, capital structure, constitution or business of the Company;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or any other Person of, any term of this Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, the Company or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of this Agreement, the Notes or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or any trustee or agent thereof, and other person providing a Guaranty of, or security for, any of the Guaranteed Obligations; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The Guarantor and each Partner hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any holder of a Note exhaust any right, power or remedy against the Company under this Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Person under any other Guaranty of, or security for, any of the Guaranteed Obligations.

(c) In the event that the Guarantor or either Partner shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, the Guarantor or such Partner, as applicable, shall not exercise any subrogation or other rights hereunder or under the Notes and the Guarantor or such Partner, as applicable, hereby waives all rights it may have to exercise any such subrogation or other rights, and all other remedies that it may have against the Company, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. Prior to the payment in full of the Guaranteed Obligations, if any amount shall be paid to the Guarantor or either Partner, as applicable, on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the holders of the Notes and shall forthwith be paid to such holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. The Guarantor and each Partner agrees that its obligations under this Section 14 shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any holder of a Note, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

(d) If an event permitting the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person (other than the Guarantor or either Partner as to itself) of a case or proceeding under a bankruptcy or insolvency law, the Guarantor and each Partner agrees

that, for purposes of the guarantee in this Section 14 and the Guarantor's and each Partner's obligations under this Agreement, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the holders of the Notes had accelerated the same in accordance with the terms of this Agreement, and the Guarantor and each Partner shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amounts and any other amounts guaranteed hereunder without further notice or demand.

(e) The guarantee in Sections 14.1 and 14.2 is a continuing guarantee and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs.

14.3. Limited Recourse to the Partners.

(a) Notwithstanding Sections 14.1 and 14.2 above and any other provisions of the Finance Documents (other than Section 14.3(d) below) the obligation of each Partner to pay any amount under any Finance Document (whether present, future or prospective) is limited to the extent that the amount can be satisfied out of its ~~Secured~~Partnership Property.

(b) Each party irrevocably and unconditionally releases all claims it may have against either Partner under or in connection with the Finance Documents except to the extent that such Partner is liable under Section 14.3(a).

(c) No party shall have any claim against or recourse to the directors, officers or employees of either Partner, by operation of law or otherwise. Such recourse is irrevocably waived.

(d) Nothing in Section 14.3(a) or 14.3(c) limits the liability of either Partner in respect of any loss, cost or expense suffered or incurred by any holder of a Note as a result of:

(i) the fraud or willful default of such Partner or any of its directors, officers or employees under or in connection with the Finance Documents; provided, that, the failure of any Partner to comply with an obligation to pay ~~the Secured Moneys~~its Obligations under the Finance Documents will not in itself constitute fraud or willful default of such Partner;

(ii) any breach of an undertaking given by such Partner in:

(A) Sections ~~9.3(h), 9.3(i)~~, 10.4, ~~10.5~~10.5 or 10.6(b) of this Agreement; or

~~(B) any Security to which such Partner is expressed to be a party (other than the undertaking contained in clause 4.2, clause 4.4 or clause 5.1(a)(2) of a Security where the underlying obligation is not referred to in paragraph (A) above);~~

~~(C) any Tripartite Agreement to which such Partner is individually expressed to be a party; or~~

~~(B) (D)~~ any Subordination Deed to which such Partner is individually expressed to be a party; or

(iii) the incorrectness or untruthfulness of any warranty or representation given by such Partner in:

(A) Sections 5.1, 5.2, 5.6, 5.10, 5.22, ~~5.25~~5.23 or clause (i) of Section 5.21; Sections 4.01, 4.02 or 4.03 of Amendment No. 1; or Sections 2.01, 2.02 or 2.03 of Amendment No. 2; or

~~(B) any Security to which such Partner is expressed to be a party (other than the representation and warranty contained in clause 4.1 of any Security where the underlying representation and warranty is not referred to in paragraph (A) above);~~

~~(C) any Tripartite Agreement to which such Partner is individually expressed to be a party; or~~

~~(B) (D)~~ any Subordination Deed to which such Partner is individually expressed to be a party.

(e) Except to the extent that either Partner is liable under Section 14.3(d), a party may ~~enforce~~satisfy its rights against such Partner arising from non payment of ~~the Secured Moneys~~its Obligations only to the extent that such rights can be ~~enforced against the Secured Property of~~satisfied from such Partner's Partnership Property and no party may, in connection with ~~the Secured Moneys~~such Obligations:

(i) take any action against such Partner, its directors, officers or employees personally to recover any part of ~~the Secured Moneys~~its Obligations which cannot be satisfied out of the ~~Secured~~Partnership Property of such Partner or obtain a judgment for the payment of money or damages by such Partner, its directors, officers or employees;

(ii) issue any demand under section 459E(1) of the Corporations Act (or any analogous provision under any other law) against such Partner;

(iii) apply for or prove in (except to the extent that such Partner is liable under Section 14.3(a)) the winding up of such Partner;

(iv) levy execution or take any action against any asset of such Partner (other than the ~~Secured~~Partnership Property of ~~the~~such Partner) to recover any of ~~the Secured Moneys~~its Obligations; or

(v) apply for the appointment of a receiver to any of the assets of such Partner (other than the ~~Secured~~Partnership Property of such Partner); or

(vi) take any proceedings for any of the above and each party waives its rights in respect of those actions, applications and proceedings.

(f) Despite anything in, or in connection with, the Finance Documents, each party hereto agrees that (i) claims under or in connection with the Finance Documents are not claims to which the Telstra Deed of Cross Guarantee applies in any way, and (ii) it may not claim or attempt to claim to have any rights under, or make any claim or seek to enforce any rights, in connection with the Telstra Deed of Cross Guarantee.

(g) For the avoidance of doubt, nothing in this Section 14.3 prevents or limits any party from obtaining a declaration concerning any of the Finance Documents, an injunction or other order restraining any breach of a Finance Document or otherwise in relation to the ~~Secured~~Partnership Property of a Partner. This clause operates as a release and a covenant not to sue and may be pleaded in bar to any action brought in breach of it.

(h) No party in the exercise of any right, power, authority, discretion or remedy conferred on it by any Finance Document or any applicable law, including any voting rights under the Finance Documents, nor any ~~receiver, receiver and manager, attorney, controller (as the term “controller” is defined in the Corporations Act, but as if the term “charge” used therein included any Security) or~~ other Person appointed by any party under the Finance Documents (~~each of the foregoing,~~ an “Administrator”) has the power or authority to incur obligations binding on a Partner other than obligations the extent and enforcement of which are limited in the same manner as the extent and enforcement of a Partner’s obligations under the Finance Documents are limited by this Section 14.3.

(i) No party may appoint any Administrator with the power or authority to incur obligations binding on a Partner unless (i) the authority of such Administrator is limited in accordance with this Section 14.3, and (ii) such Administrator executes an agreement acknowledging the limitation.

(j) This Section 14.3 shall apply despite any other provision in any document or any other thing and, in the event of any inconsistency between this Section 14.3 and another provision of a Finance Document, this Section 14.3 shall prevail.

14.4. Consent of Partners.

~~(a) Each Partner consents to the grant by the other Partner of the Security over all of the present and future right, title and interest of that Partner in the FOXTEL Partnership and the FOXTEL Television Partnership and the undertaking, assets and rights of the FOXTEL Partnership and the FOXTEL Television Partnership, including the right to receive any share of profits of the FOXTEL Partnership and the FOXTEL Television Partnership.~~

~~(b)~~ The parties hereto acknowledge and agree that the other parties hereto are entitled to treat any discharge, receipt, waiver, consent, communication, agreement, act or other thing given or effected by the Obligor as having been given or effected for or on behalf of, and with the authority and consent of, the Partners.

15. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES; ~~NOTICE UPON TRANSFER UNDER SECURITY TRUST DEED.~~

15.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentation for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

15.2. Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 20) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by (i) a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant beneficial name, any nominee name, address and other details for notices of each transferee of such Note or part thereof and (ii) a QP Transfer Certificate duly executed by each transferee of such Note) within ten Business Days thereafter the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1-A, 1- B or 1-C, as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than U.S.\$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of a series of the Notes, one Note of such series may be in a denomination of less than U.S.\$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have agreed to be bound by the provisions contained herein expressed to be, or that otherwise are, applicable to holders of Notes and to have made the representations set forth in Section 6, except with respect to Sections 6.3(a) and 6.3(d).

15.3. Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 20) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S.\$100,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

~~**15.4. Notice upon Transfer under Security Trust Deed.**~~

~~Upon any transfer, exchange or substitution of a Note or Notes as set forth in this Section 15, the transferor of such Note or Notes agrees promptly to notify the Security Trustee of such transfer, exchange or substitution pursuant to Section 8.5 of the Security Trust Deed, including the relevant beneficial name, any nominee name, address and other details for notices of each transferee of such Note or Notes.~~

16. PAYMENTS ON NOTES.

16.1. Place of Payment.

Subject to Section 16.2, payments of principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of JPMorgan Chase Bank, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

16.2. Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 16.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Obligor and the Partners made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its address as set forth in Section 20. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 15.2. The Company will afford the benefits of this Section 16.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this

Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 16.2.

17. EXPENSES, ETC.

17.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Obligor will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of any Finance Document (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under any Finance Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with any Finance Document, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Obligor, either Partner or any Member or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Notes or by any other Finance Document and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed U.S.\$3,300. The Obligor will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

17.2. Certain Taxes.

The Obligor agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of any Finance Document or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, any Finance Document, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Obligor pursuant to this Section 17, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Obligor or any Partner hereunder or by any Member Guarantor under any Member Guarantee.

17.3. Survival.

The obligations of the Obligor under this Section 17 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of any Finance Document, and the termination of this Agreement.

18. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Obligor or either Partner pursuant to this Agreement shall be deemed representations and warranties of the Obligor or such Partner, as the case may be, under this Agreement. Subject to the preceding sentence, this Agreement, the Notes and the other Finance Documents embody the entire agreement and understanding between each Purchaser, the Obligor and each Partner, and supersede all prior agreements and understandings relating to the subject matter hereof.

19. AMENDMENT AND WAIVER.

19.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Obligor, the Partners and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 23, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount or Modified Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend Section 8, 11(a), 11(b), 12, 13, 14, 19, 22 or ~~25.12~~24.11.

19.2. Solicitation of Holders of Notes.

(a) Solicitation. The Obligor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Obligor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 19 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. No Transaction Party or any Member will directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any other Finance Document unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

19.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 19 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Obligor and the Partners without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Obligor and the holder of any Note or between either Partner and the holder of any Note nor any delay in exercising any rights hereunder or under any Note or under any Member Guarantee shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

19.4. Notes Held by any Transaction Party or Member, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by any Transaction Party or any Member or any Affiliate of any Transaction Party or any Member shall be deemed not to be outstanding.

20. NOTICES; ENGLISH LANGUAGE.

All notices and communications provided for hereunder shall, to the extent that the recipient has supplied an email address for receipt of such notices and communications, be by way of electronic mail. If any recipient has not supplied an email address for receipt of notices and communications provided for hereunder, notices and communications shall be provided by physical delivery, sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an air express delivery service (charges prepaid), or (b) by an air express delivery service (with charges prepaid).

All notices and communications provided for hereunder shall be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or nominee at the address (whether email or physical) specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address (whether email or physical) as such other holder shall have specified to the Company in writing,

(iii) if to the Company, to the Company at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Chief Financial Officer), or at such other address as the Company shall have specified to the holder of each Note in writing,

(iv) if to the Guarantor, to the Guarantor at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Chief Financial Officer), or at such other address as the Guarantor shall have specified to the holder of each Note in writing.

(v) if to Sky Cable, to Sky Cable at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Company Secretary), or at such other address as Sky Cable shall have specified to the holder of each Note in writing, and

(vi) if to Telstra Media, to Telstra Media at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Head of Media), or at such other address as Telstra Media shall have specified to the holder of each Note in writing; ~~and (vii) if to the Security Trustee, to the Security Trustee at its address (whether email or physical) set forth in the Security Trust Deed (in the case of physical delivery, to the attention of the Person specified in the Security Trust Deed), or at such other address as the Security Trustee shall have specified to the holder of each Note in writing.~~

Notices under this Section 20 will be deemed given only when actually received. All notices related to any Default, Event of Default, acceleration or prepayment shall, in addition to delivery by email (if applicable), be sent by physical delivery as set forth above.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement or any Member Guarantee shall be in English or accompanied by an English translation thereof.

21. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Obligor and the Partners agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 21 shall not prohibit the Obligor, either Partner or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

22. CONFIDENTIAL INFORMATION.

For the purposes of this Section 22, "Confidential Information" means information delivered to any Purchaser by or on behalf of any Transaction Party or any Member in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of such Transaction Party or such Member, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through

disclosure by any Transaction Party or any Member or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 22, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 22), (v) any Person from which it offers to purchase any security of the Obligor or either Partner (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 22), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement.

Additionally, no Purchaser may disclose any information of the kind referred to in section 275(1) of the PPSA other than where (a) required due to the operation of section 275(7) of the PPSA or (b) otherwise permitted to be disclosed pursuant to this Section 22.

Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 22 as though it were a party to this Agreement. On reasonable request by the Obligor or either Partner in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Obligor and the Partners embodying the provisions of this Section 22.

23. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 23), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate

thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 23), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

24. RELEASE OF SECURITY.

~~(a) The Obligor shall provide each holder of Notes written notice of any release of the Secured Property from the Security in accordance with the Security Trust Deed which results in the book value of the assets and property of the FOXTEL Group not subject to any Security being greater than 50% of Total Assets at such time (the "Security Release") not less than five Business Days prior to the effective date of such release (the "Security Release Date"). Such notice shall specify the anticipated Security Release Date and shall describe any Release Consideration paid or payable in connection with the Security Release.~~

~~(b) If the Obligor or any Member shall pay any financial consideration (whether by way of fee, premium, rate increase, prepayment or otherwise) to or for the account of any "Beneficiary" under and as defined in the Security Trust Deed as inducement for the consent of such "Beneficiary" to the Security Release ("Release Consideration"), then the Obligor shall concurrently pay the holders of Notes equivalent Release Consideration.~~

~~(c) From and after the later of the Security Release Date and the date on which the Obligor has paid all of the holders of Notes any consideration required to be paid pursuant to Section 24(b), Sections 7.2(a), 10.5 and 10.6 hereof shall be deemed to be deleted and of no force and effect and shall be replaced in their entirety by the provisions labeled (A), (B) and (C), respectively, in Exhibit 24. All other provisions of this Agreement shall remain unchanged and in full force and effect after such date. For purposes of Sections 10.5 and 10.6 (as so replaced), any Indebtedness or Liens of the Obligor or the Members outstanding on the Security Release Date shall be deemed to have been incurred thereby on such date (other than Indebtedness that would otherwise be permitted under the new Section 10.6(a)(iv)).~~

~~(d) At any time that all of the Secured Property is released from the Security in accordance with the Security Trust Deed and this Section 24, the holders of Notes shall take those actions reasonably requested by any Transaction Party or the Security Trustee necessary to release such Secured Property from such Security and to release each Transaction Party from the Security Documents to which it is a party. Thereafter, upon the request of any holder of a Note, the Obligor or either Partner, the Obligor, the Partners and the holders of Notes shall enter into any additional agreement or amendment to this Agreement reasonably requested by such holder or Obligor to (i) evidence or otherwise memorialize any of the actions contemplated pursuant to this Section 24 and (ii) amend this Agreement to make necessary consequential changes and to remove all references to the Security, the Secured Documents and all related terms and provisions.~~

~~(e) From and after the Security Release Date (unless the context clearly indicates otherwise), all references in this Agreement to Sections 7.2(a), 10.5 and 10.6 shall be deemed to refer to such Sections as replaced pursuant to this Section 24.~~

24. ~~25.~~ MISCELLANEOUS.

24.1. ~~25.1.~~ Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

24.2. ~~25.2.~~ Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8 that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or Modified Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

24.3. ~~25.3.~~ Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with Relevant GAAP. Except as otherwise specifically provided herein, all computations made pursuant to this Agreement shall be made in accordance with Relevant GAAP, and all financial statements shall be prepared in accordance with Relevant GAAP, where applicable for special purpose accounts.

(b) For purposes of determining compliance with the financial covenants contained in this Agreement, any election by an Obligor or a Partner to measure an item of Indebtedness using fair value (as permitted by International Accounting Standard 39 or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

~~25.4. Consent to Successor Security Trustee.~~

~~In the event the Security Trustee is terminated, by replacement, resignation, removal or otherwise, the holders of Notes irrevocably consent to the appointment of any of the following Persons as the successor Security Trustee under the Security Documents (each, a “Pre Approved Security Trustee”): (i) Commonwealth Bank of Australia, (ii) Australia and New Zealand Banking Group Limited, (iii) National Australia Bank Limited, (iv) Westpac Banking Corporation or (v) any affiliate of any of the foregoing Persons. In furtherance of the foregoing, each holder of Notes, for consideration received, appoints the Company and each officer or director of the Company severally as its attorney, in its name and on its behalf, to do all things and execute, sign, seal and deliver (conditionally or unconditionally in the attorney’s discretion) all documents, deeds and instruments necessary or desirable for the appointment of any Pre Approved Security Trustee as the successor Security Trustee under the Security Documents and to vest in such Pre Approved Security Trustee all of the Trust Fund (as defined in the Security Trust Deed). The foregoing power may be delegated or a sub power may be given, and any delegate or sub attorney may be removed by the attorney appointing it. The holders of Notes authorize the Security Trustee and any other relevant Person to rely on this Section 25.4 as evidence of the foregoing consent. Without limiting the foregoing, the holders of Notes shall take those actions reasonably requested by any Transaction Party to further evidence the foregoing consent.~~

24.4. 25.5. Change in Relevant GAAP.

If the Obligor notifies the holders of Notes that, in the Obligor’s reasonable opinion, or if the Required Holders notify the Obligor that, in the Required Holders’ reasonable opinion, as a result of changes in Relevant GAAP after the date of this Agreement (“**Subsequent Changes**”), any of the covenants contained in Sections 10.5, 10.6, 10.7 and 10.8, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Obligor than as at the date of this Agreement, the Obligor and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Obligor and the Required Holders so agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in Sections 10.5, 10.6, 10.7 and 10.8, together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred (“**Static GAAP**”). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Obligor shall include relevant reconciliations in reasonable detail between Relevant GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period. To the extent a Default or Event of Default shall have occurred and be continuing, any Additional Covenants shall be included in this Section 24.4.

24.5. ~~25.6.~~ Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

24.6. ~~25.7.~~ Construction, Etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

24.7. ~~25.8.~~ Ratification.

As a shareholder of any Member Guarantor, the Obligor and each Partner hereby ratifies and confirms the execution, delivery and performance by such Member Guarantor of its Member Guarantee and all documents, certificates and other agreements related thereto or contemplated thereby.

24.8. ~~25.9.~~ Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

24.9. ~~25.10.~~ Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

24.10~~25.11~~. Jurisdiction and Process; Waiver of Jury Trial.

(a) Each of the Obligor and each Partner irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, each of the Obligor and each Partner irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each of the Obligor and each Partner agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section ~~25.11~~24.10(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each of the Obligor and each Partner consents to process being served by or on behalf of any holder of a Note in any suit, action or proceeding of the nature referred to in Section ~~25.11~~24.10(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 20, to National Registered Agents, Inc., at 875 Avenue of the Americas, Suite 501, New York, New York, 10001, as its agent for the purpose of accepting service of any process in the United States. Each of the Obligor and each Partner agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section ~~25.11~~24.10 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Obligor or either Partner in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each of the Obligor and each Partner hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT OR THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THEREWITH.

24.11.~~25.12.~~ Obligation to Make Payment in Dollars.

Any payment on account of an amount that is payable hereunder or under the Notes in Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Obligor or either Partner, shall constitute a discharge of the obligation of the Obligor or such Partner under this Agreement or the Notes, as the case may be, only to the extent of the amount of Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such holder, the Obligor and the Partners agree to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term “London **Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

~~25.13. Binding Transaction Documents.~~

~~The parties hereto agree that this Agreement, the Notes and the Member Guarantees are “Binding Transaction Documents” under, and as defined in, the Security Trust Deed and such parties further agree and acknowledge that each holder of Notes from time to time (including without limitation each such holder that becomes a holder by way of transfer, assignment, novation or other substitution) will automatically become bound as a Beneficiary and receive the benefits of a Beneficiary under, and as defined in, the Security Trust Deed on the same basis as if such holder were a party to the Security Trust Deed.~~

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you, the Company, the Guarantor and the Partners.

Very truly yours,

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Print Name

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its capacity as agent for
the Partners as a partnership carrying on
the business of the FOXTEL Partnership
and as agent for the FOXTEL Television
Partnership:

Director Signature

Print Name

Director/Secretary Signature

Print Name

Director/Secretary Signature

Print Name

Executed in accordance with section 127
of the *Corporations Act 2001* by **SKY**
CABLE PTY LIMITED:

Director Signature

Print Name

Director/Secretary Signature

Print Name

Signed Sealed and Delivered for
TELSTRA MEDIA PTY LIMITED by
its attorney in the presence of:

Witness Signature

Print Name

[Witness Signature](#)

[Print Name](#)

Attorney Signature

Print Name

[Attorney Signature](#)

[Print Name](#)

This Agreement is hereby accepted and agreed to as of the date thereof.

[PURCHASERS]

INFORMATION RELATING TO PURCHASERS

Attached.

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“2012 USPP Note Agreement” means any note purchase agreement or note and guarantee agreement entered into in 2012 and pursuant to which the Company or another Member issues notes to institutional investors in the United States of America pursuant to a traditional Section 4(2) private placement.

“Additional Covenant” is defined in Section 9.11(a).

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person and, with respect to the FOXTEL Group, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of any Member or any corporation or partnership of which any Member beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, “Control “ means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Amendment No. 1” means the Waiver, Consent and Amendment Number 1, dated as of April 2, 2012, by and among the Partners, the Obligor, each holder of Notes and each Member Guarantor.

“Amendment No. 2” means the Notice of Security Release and Amendment Number 2, dated as of April 2, 2012, by and among the Partners, the Obligor, each holder of Notes and each Member Guarantor.

“Anti-Terrorism Order” means Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

“Artist Services” means Artist Services Cable Management Pty Limited (ABN 97 072 725 289)”.

~~“Artist Services Charge (2)” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Artist Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

“**ASIC**” means the Australian Securities and Investment Commission.

“**Associate**” means an associate of the Obligor or either Partner within the meaning of Section 128F(9) of the Australian Tax Act.

“**Australia**” means the Commonwealth of Australia.

“**Australian Dollars**” and “**AS**” means lawful money of Australia.

“**Australian Tax Act**” means the Australian Income Tax Assessment Act 1936 and the Australia Income Tax Assessment Act 1997, as the context requires, as amended, and a reference to any section of the Australian Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Australian Income Tax Assessment Act 1997 and any other Act setting the rate of income tax payable and any regulation promulgated thereunder.

“**Business**” means the business, conducted from time to time by the FOXTEL Group, of video entertainment and related services for delivery on any form of technology for which subscribers must pay a fee (other than in respect of the retransmitted open broadcast services), including the right to bundle such services with third party telecommunications services, provide access to FOXTEL STUs to access seekers and make the services available on a wholesale basis including to infrastructure operators.

“**Business Day**” means (a) for the purposes of Section 8.9 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York, or Sydney, New South Wales Australia are required or authorized to be closed.

“**Capital Lease**” means, at any time, (a) a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with Relevant GAAP and (b) any “finance lease” (as defined in the “accounting standards” specified in the Corporations Act).

“**Change of Control**” means, and shall be deemed to have occurred at any time that, the Shareholders (or any of them) cease to legally and beneficially own and control (directly or indirectly) at least 60% of the FOXTEL Group.

“**Closing**” is defined in Section 3.

“**CMH**” means Consolidated Media Holdings Limited (ABN 52 009 071 167), a company registered under the laws of Australia.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

~~“**Collateral Security**” means any present or future Lien, Guaranty or other document or agreement created or entered into by a Transaction Party or any other person as security for, or to credit enhance, the payment of any of the Secured Money.~~

“**Company**” is defined in the first paragraph of this Agreement.

“**Confidential Information**” is defined in Section 22.

“**Corporations Act**” means the Australian Corporations Act 2001 (Cwlth), as amended.

“**CTACTDP**” means the Common Terms ~~Agreement (A\$740,000,000 FOXTEL Financing) dated as of July 28, 2006, Deed Poll, to be dated on or about April 10, 2012,~~ among the Company; and the ~~lead arrangers~~ guarantors listed in Schedule 1 ~~thereto, the financiers listed in Schedule 2 thereto, the Facility Agent, the Security Trustee and the guarantors listed in Schedule 3~~ thereto, as amended, varied or restated from time to time, together with any agreement renewing, ~~refinancing, refunding~~ or replacing the foregoing.

“**Customer Services**” means Customer Services Pty Limited (ACN 069 272 117).

~~“**Customer Services Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Customer Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**Customer Services Mortgage of Leases**” means the mortgage so entitled dated on or about 9 January 2004 granted by Customer Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

“**Default**” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“**Default Rate**” means, with respect to any Note, that rate of interest that is the greater of (i) 2.00% per annum above the rate of interest stated in clause (a) of the first paragraph of such Note and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. in New York, New York as its “base” or “prime” rate.

“**Disposition**” is defined in Section 10.5.

“**Distribution**” means, with respect to any Person, any payment or distribution (in cash or in kind), including by interest, dividend, return of capital, repayment or redemption, to or for the benefit of any Shareholder, Partner or “associate” (as defined in section 318 of the Australian Tax Act) of such Person (other than the Obligor or any Member Guarantor), but excluding any payment made in respect of the supply of goods or services by any Shareholder, Partner or “associate” (as defined above) which is not made in excess of a payment on arms length commercial terms.

“**Dollars**” or “**U.S.\$**” means lawful money of the United States of America.

“**EBITDA**” means, with respect to any period, the total amount of consolidated earnings of the FOXTEL Group and net cashflow from joint ventures of the FOXTEL Group, in each case before: (a) interest, (b) (i) tax, including GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding and (ii) income, stamp or transaction duty, tax or charge, in either case which is assessed, levied, imposed or collected by any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, including any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above, (c) depreciation and amortisation, (d) any amounts relating to the impairment of assets, (e) items of income or expense which are considered to be outside the ordinary course of business and are regarded as “exceptional items” or “significant items” (or another term in place of that term) in the accounts, and (f) fair value adjustments of financial derivatives that are not effective hedging instruments under Relevant GAAP.

“**Environmental Laws**” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“**ERISA**” means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Obligor under section 414 of the Code.

“**Excluded Tax**” means, with respect to any holder of a Note, any Tax imposed by any jurisdiction on the net income of such holder as a consequence of such holder being a resident of or organized or doing business in such jurisdiction (but not any Tax which is imposed as a result of such holder being considered a resident of or organized or doing business in such jurisdiction solely as a result of such holder holding a Note with the benefit of the guarantee of the Guarantor and the Partners under this Agreement or being a party to this Agreement or any transaction contemplated by this Agreement or enforcing its rights hereunder or under any Note).

“**Event of Default**” is defined in Section 11.

~~“Facility Agent” means RBS Group (Australia) Pty Ltd or any successor “Facility Agent” under the CTA.~~

“**Facility Agreement**” means (i) the CTACTDP, (ii) any facility agreement or other similar agreement issued pursuant to, and with the benefit of, the terms of the CTACTDP and providing for financing in a principal or notional amount of at least A\$50,000,000 (or its equivalent in the relevant currency of payment) and (iii) at any time that the CTACTDP is not outstanding, the principal bank facility of the FOXTEL Group.

“**Finance Document**” means:

(a) this Agreement;

(b) the Notes;

(c) each Member Guarantee;

~~(d) each Security Document;~~ and

(d)-(e) any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a clause above.

“**Financial Report**” means, with respect to any Person, the following financial statements and information with respect to such Person: (a) a statement of financial performance, (b) a statement of financial position and (c) a statement of cashflows.

“**Fitch**” means Fitch, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

“FOXTEL Australia” means FOXTEL Australia Pty Limited (ACN 151 691 753).

“**FOXTEL Cable**” means FOXTEL Cable Television Pty Limited (ACN 069 008 797).

~~“FOXTEL Cable Charge (2)” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by FOXTEL Cable in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~ “Finance” means FOXTEL Finance Pty Limited (ACN 151 691 897).

~~“FOXTEL Cable Charge (3)” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by FOXTEL Cable in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL Cable Charge (4)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by FOXTEL Cable in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL Cable Charge (Security by deposit)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Customer Services in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

“FOXTEL Group” means:

(a) the FOXTEL Partnership;

(b) the FOXTEL Television Partnership;

(c) the Obligor;

(d) FOXTEL Cable;

(e) Customer Services;

(f) Artist Services;

(g) Racing Channel;

(h) [FOXTEL Australia](#);

(i) [FOXTEL Finance](#);

(j) [FOXTEL Holdings](#); and

(k) ~~(h)~~ each Wholly-Owned Subsidiary of each of the entities described at paragraphs (a) to ~~(g)~~ [\(i\)](#) above.

~~“**FOXTEL Management Mortgage of Queensland Lease**” means the mortgage dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee in respect of its leasehold interest in Lot 14 Registered Plan 9985 and Lot 15 Registered Plan 9985, as amended, restated, supplemented or otherwise modified from time to time.~~ [“**Holdings**”](#) means [FOXTEL Holdings Pty Limited \(ACN 151 690 327\)](#).

~~“**FOXTEL Management Mortgage of Victorian Leases**” means each mortgage dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee in respect of certain leases of real property located in Victoria, Australia, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL New Charge**” means the fixed and floating charge so entitled dated on or about 16 September 2009 granted by the Company, FOXTEL Cable, Customer Services, Artist Services and Racing Channel in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

“**FOXTEL Partnership**” means the partnership constituted by the FOXTEL Partnership Agreement.

“**FOXTEL Partnership Agreement**” means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and the Company as amended by the deed dated 21 November 2002 between the Company, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, PBL, each Partner, Telstra, Telstra Multimedia and News, and as further amended, restated, supplemented or otherwise modified from time to time.

~~“**FOXTEL Partnership Charge (3)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Sky Cable, Telstra Media and the Company in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL Partnership Charge (Security by deposit)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by the Company in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL Partnership New Charge**” means the fixed and floating charge so entitled dated on or about 16 September 2009 granted by the Company, FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership, Sky Cable and Telstra Media in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

“**FOXTEL Television Partnership**” means the partnership constituted by the FOXTEL Television Partnership Agreement.

“**FOXTEL Television Partnership Agreement**” means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and FOXTEL Cable as amended by the deed dated 21 November 2002 between the Company, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, PBL, each Partner, Telstra, Telstra Multimedia and News, and as further amended, restated, supplemented or otherwise modified from time to time.

~~“**FOXTEL Television Partnership Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Sky Cable and Telstra Media in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**FOXTEL Television Partnership New Charge**” means the fixed and floating charge so entitled dated on or about 16 September 2009 granted by Sky Cable and Telstra Media in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

“Governmental Authority” means

(a) the government of

(i) the United States of America or Australia or any State or other political subdivision of either thereof, or

(ii) any other jurisdiction in which the Obligor or any Partner conducts all or any part of its business, or which asserts jurisdiction over any properties of any Transaction Party or any Member, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Group Structure Diagram” means the group structure diagram set forth in Schedule 4.9, as amended or updated by the delivery of a new diagram pursuant to Section 7.1(h).

“GST” means the goods and services tax levied under the New Tax System (Goods and Services Tax) Act 1999 (Cwth), as amended.

“Guaranteed Obligations” is defined in Section 14.1.

“Guarantor” is defined in the first paragraph of this Agreement.

“Guaranty” means any guaranty, suretyship, letter of credit, letter of comfort or any other obligation (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of, (b) to indemnify any Person against the consequences of default in the payment of or (c) to be responsible for, any debt or monetary liability of another person or the assumption of any responsibility or obligation in respect of the insolvency or the financial condition of any other Person.

“**Hazardous Material**” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“**holder**” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 15.1.

“**Indebtedness**” means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

(a) bill of exchange, bond, debenture, note or similar instrument;

(b) acceptance, endorsement or discounting arrangement;

(c) Guaranty;

(d) finance or capital lease;

(e) agreement for the deferral (of at least 120 days) of a purchase price or other payment in relation to the acquisition of any asset or service;

(f) obligation to deliver goods or provide services paid for in advance by any financier; or

(g) agreement for the payment of capital or premium on the redemption of any preference shares;

and irrespective of whether the debt or liability (i) is present or future, (ii) is actual, prospective, contingent or otherwise, (iii) is at any time ascertained or unascertained, (iv) is owed or incurred alone or severally or jointly or both with any other person or (v) comprises any combination of the above.

“**Institutional Investor**” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

“Intellectual Property” means (a) all trade secrets, confidential information, know-how, patents, trade marks, designs, service marks, business names, copyright and computer programs which are material to the Business, and (b) any interest (including by way of license) in any of the foregoing, in each case whether registered or not and including all applications for same.

“Interest Expenses” means interest and amounts in the nature of, or having a similar purpose or effect to, interest and includes (a) discount on a bill of exchange (as defined in the Bills of Exchange Act 1909 (Cwth)) or other instrument, (b) fees and amounts incurred on a regular or recurring basis, such as line fees, and (c) capitalized amounts of the same or similar name to the foregoing.

“Interest Service” means, with respect to any period, without double counting, an amount equal to (a) the aggregate amount of all Interest Expenses, rentals, any other recurrent payments of a similar nature (including gross-ups and increased cost payments) and any other recurring fees, costs and expenses paid during such period, in each case under or in relation to any Indebtedness of any Member, but which shall not include any such payments in respect of transactions between or among the Company and/or any Member Guarantor, plus or minus (b) the net amount of any difference between payments by or to the Company under any swap or hedge transactions relating to interest rates during such period.

“Investment Company Act” means the United States Investment Company Act of 1940, as amended.

“Lien” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Make-Whole Amount” is defined in Section 8.9.

“Material” means material in relation to the business, operations, affairs, financial condition, assets or properties of the FOXTEL Group.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the FOXTEL Group; or (b) the ability of any Transaction Party to perform its obligations under the Finance Documents to which it is a party; or (c) the validity or enforceability of any Finance Document; or (d) the ~~value of the Secured Property; or (e) the~~ rights and remedies of any holder of a Note ~~or the Security Trustee~~ under any Finance Document.

~~**“Material New Agreement”** is defined in the Security Trust Deed.~~

“**Member**” means any Person listed in any of clauses (a) through (h) of the defined term “FOXTEL Group”.

“**Member Guarantee**” means a guarantee of a Member Guarantor of the obligations of the Company under this Agreement and the Notes, substantially in the form of Exhibit 9.8.

“**Member Guarantor**” means, as of the date of Closing, each Member identified as a “Member Guarantor” on Schedule 5.4 and, thereafter, each other Member that has executed and delivered a Member Guarantee pursuant to Section 9.8, in each case that has not been released from its Member Guarantee pursuant to Section 9.8(f).

“**Memorandum**” is defined in Section 5.3.

“**Modified Make-Whole Amount**” is defined in Section 8.9.

“**Moody’s**” means Moody’s Investors Service, a subsidiary of Moody’s Corporation, together with any relevant local affiliates thereof and any successor to any of the foregoing.

~~“**Moonce Ponds Mortgage**” means the mortgage of lease dated 8 March 2005 granted by the Company in favor of the Security Trustee in respect of its leasehold interest in land situated at Dean Street, Moonce Ponds, Victoria, Australia (being the land comprised in certificate of title Volume 10856 Folio 822), as amended, restated, supplemented or otherwise modified from time to time.~~

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto.

“**News**” means News Holdings Limited (ABN 40 007 910 330).

“**Non-U.S. Plan**” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by any Member primarily for the benefit of employees of one or more Members residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“**Notes**” is defined in Section 1.

“Obligations” means, with respect to any Partner, all debts and monetary liabilities of such Partner to the holders of Notes under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:

(a) are present or future;

(b) are actual, prospective, contingent or otherwise;

(c) are at any time ascertained or unascertained;

(d) are owed or incurred by or on account of any such Partner alone, or severally or jointly with any other person;

(e) are owed or incurred as principal, interest, fees, premiums, make-whole amounts, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account; or

(f) comprise any combination of the above.

“Obligor” is defined in the first paragraph of this Agreement.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of either Partner or the Obligor, as the context requires, whose responsibilities extend to the subject matter of such certificate.

“Partner” is defined in the first paragraph of this Agreement.

“Partnership Property” means, with respect to a Partner, all of the present and future undertakings, assets and rights of such Partner in and to the undertakings, assets and rights of the FOXTEL Partnership or the FOXTEL Television Partnership (as applicable). It does not include any undertakings, assets or rights of a Partner held in its personal or other capacity.

“PBL” means Publishing and Broadcasting Limited (ABN 52 009 071 167).

“Permitted Restructuring” is defined in Section 9.5.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

[“PPSA” means the Australian Personal Property Security Act 2009 \(Cwlth\), as amended.](#)

“**property**” or “**properties**” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**Purchaser**” is defined in the first paragraph of this Agreement.

“**QP Transfer Certificate**” means a Qualified Purchaser Transfer Certificate in the form of Exhibit 15.2.

“**Qualified Purchaser**” means any person who is a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder.

“**Racing Channel**” means The Racing Channel Cable-TV Pty Limited (ABN 91 069 619 307).

~~“**Racing Channel Charge (2)**” means the fixed and floating charge so entitled dated on or about 9 January 2004 granted by Racing Channel in favor of the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“**Release Consideration**” is defined in Section 24(b).~~

“**Relevant GAAP**” means, with respect to (i) the FOXTEL Group and each Reporting Member, generally accepted accounting principles, standards and practices as in effect from time to time in Australia, and (ii) with respect to any Person other than the FOXTEL Group and the Reporting Members, generally accepted accounting principles (including any applicable application of International Financial Reporting Standards) as in effect from time to time in the jurisdiction under which such Person prepares its books of account and financial records and statements.

“**Reporting Member**” means each Member (other than Artist Services and Racing Channel for so long as such Person remains dormant).

“**Required Holders**” means, at any time, the holders of more than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by any Member, a Partner or any of their respective Affiliates).

“**Responsible Officer**” means any Senior Financial Officer and any other officer of either Partner or the Obligor, as the context requires, with responsibility for the administration of the relevant portion of this Agreement.

“S&P” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

~~“Secured Moneys” means all debts and monetary liabilities of each Transaction Party to the holders of Notes under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:~~

- ~~(a) are present or future;~~
- ~~(b) are actual, prospective, contingent or otherwise;~~
- ~~(c) are at any time ascertained or unascertained;~~
- ~~(d) are owed or incurred by or on account of any Transaction Party alone, or severally or jointly with any other person;~~
- ~~(e) are owed or incurred as principal, interest, fees, premiums, make whole amounts, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account; or~~
- ~~(f) comprise any combination of the above;~~

~~“Secured Property” means any property or assets subject to a Security.~~

“Securities Act” means the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

~~“Security” means:~~

- ~~(a) the FOXTEL Partnership Charge (3);~~
- ~~(b) the FOXTEL Partnership Charge (Security by deposit);~~
- ~~(c) the FOXTEL Television Partnership Charge (2);~~
- ~~(d) the FOXTEL Charge (2);~~
- ~~(e) the FOXTEL Cable Charge (2);~~

- ~~(f) the FOXTEL Cable Charge (3);~~
- ~~(g) the FOXTEL Cable Charge (4);~~
- ~~(h) the FOXTEL Cable Charge (Security by deposit);~~
- ~~(i) the Customer Services Charge (2);~~
- ~~(j) the Artist Services Charge (2);~~
- ~~(k) the Racing Channel Charge (2);~~
- ~~(l) the Customer Services Mortgage of Leases;~~
- ~~(m) any FOXTEL Management Mortgage of Victorian Leases;~~
- ~~(n) the FOXTEL Management Mortgage of Queensland Lease;~~
- ~~(o) the Moonee Ponds Mortgage;~~
- ~~(p) the FOXTEL New Charge;~~
- ~~(q) the FOXTEL Partnership New Charge;~~
- ~~(r) the FOXTEL Television Partnership New Charge; or~~
- ~~(s) any Collateral Security.~~

“Security Documents” means:

- ~~(a) the Security Trust Deed;~~
- ~~(b) each Security; and~~

~~(c) any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a clause above.~~

~~“Security Release” is defined in Section 24(a).~~

~~“Security Release Date” is defined in Section 24(a).~~

~~“Security Trust Deed” means the Security Trust Deed dated on or about 9 January 2004, between the Security Trustee, the Transaction Parties and each party listed in schedule 1 thereto, as amended and restated on 11 September 2009, and as further amended, restated, supplemented or otherwise modified from time to time.~~

~~“Security Trustee” means RBS Group (Australia) Pty Ltd or any successor “Security Trustee” under the Security Trust Deed.”~~ **Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or controller of the Obligor or either Partner, as the context requires.

“**Series A Notes**” is defined in Section 1.

“**Series B Notes**” is defined in Section 1.

“**Series C Notes**” is defined in Section 1.

“**Shareholder**” means:

- (a) Telstra;
- (b) News; and
- (c) CMH.

“**Sky Cable**” is defined in the first paragraph of this Agreement.

~~“**STD Accession Deed**” means the Accession Deed substantially in the form of Exhibit 4.13, pursuant to which a Purchaser shall become a Beneficiary under, and as defined in, the Security Trust Deed.~~

“**STU**” means set top unit (including a refurbished or re-birthed set top unit).

“**Subordinated Debt**” means (i) Indebtedness identified as Subordinated Debt on Schedule 5.15 and (ii) all other Indebtedness of any Member which is the subject of a Subordination Deed.

“**Subordination Deed**” means a subordination deed in a form approved by the Required Holders (acting reasonably) between the ~~Security Trustee, the~~ Person who has incurred or will incur Indebtedness ~~and, the entity to whom the Indebtedness is or will be owed~~ and any other relevant Person, in relation to the provision of Subordinated Debt to any Member.

“**Subsidiary**” means a subsidiary as defined in Section 46 of the Corporations Act.

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Tax**” means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

“**Taxing Jurisdiction**” is defined in Section 13.

“**Telstra**” means Telstra Corporation Limited (ABN 33 051 775 556).

“**Telstra Deed of Cross Guarantee**” means the ASIC Class Order deed of cross guarantee entered into by Telstra and certain of its subsidiaries on 4 June 1996.

“**Telstra Media**” is defined in the first paragraph of this Agreement.

~~“**Title Document**” means any original, duplicate or counterpart certificate or document of title to any real property or share.~~

“**Total Assets**” means, at any time, the aggregate amount of all assets of the FOXTEL Group at such time.

“**Total Debt**” means, at any time, the aggregate amount of all Indebtedness of each Member, excluding transactions between or among the Company and/or any Member Guarantor and excluding Subordinated Debt.

“**Transaction Party**” means the Obligor, each Partner and each Member Guarantor.

~~“**Tripartite Agreement**” means any tripartite agreement, consent deed or similar document entered into between, among others, the Security Trustee and a Member in relation to a contract to which such Member is a party.~~

“U.S. Person” means any Person who is a “U.S. person” as defined in Rule 902(k) under the Securities Act.

“USA PATRIOT Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Members and the Members’ other Wholly-Owned Subsidiaries at such time.

DISCLOSURE MATERIALS

**MEMBER GUARANTORS, AFFILIATES
AND OWNERSHIP OF MEMBER STOCK**

FINANCIAL STATEMENTS

EXISTING INDEBTEDNESS

In accordance with Section 5.15, existing Indebtedness as of August 31, 2009 is as follows:

<u>Nature of Debt</u>	<u>Borrower(s)</u>	<u>Facility Amount (AUD000's)</u>	<u>Amount Outstanding (AUD000's)</u>
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[FORM OF SERIES A NOTE]¹

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT "U.S. PERSONS" AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("U.S. PERSONS"), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE "QUALIFIED PURCHASERS" AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

5.04% Series A Guaranteed Senior ~~Secured~~ Note Due 2014

No. A-[]
 U.S.\$[]

[Date]
 PPN: Q3946* AA1

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia ("**FOXTEL Management**"), in its individual capacity (in such capacity, herein called the "**Company**"), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on September 24, 2014 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.04% per annum from the date hereof, payable semiannually, on the 24th day of March and September in each year, commencing with the March 24 or September 24 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 7.04% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make- Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

¹ [The Series A Notes issued prior to the effective date of Amendment No. 2 shall be in the form specified in the Agreement prior to the effectiveness of Amendment No. 2.](#)

This Note is one of a series of Guaranteed Senior ~~Secured~~ Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Print Name

Director/Secretary Signature

Print Name

[FORM OF SERIES B NOTE]²

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT "U.S. PERSONS" AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("U.S. PERSONS"), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE "QUALIFIED PURCHASERS" AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)

5.83% Series B Guaranteed Senior ~~Secured~~-Note Due 2016

No. B-[]
U.S.\$[]

[Date]
PPN: Q3946* AB9

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia ("**FOXTEL Management**"), in its individual capacity (in such capacity, herein called the "**Company**"), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on September 24, 2016 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.83% per annum from the date hereof, payable semiannually, on the 24th day of March and September in each year, commencing with the March 24 or September 24 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 7.83% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make- Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

² [The Series B Notes issued prior to the effective date of Amendment No. 2 shall be in the form specified in the Agreement prior to the effectiveness of Amendment No. 2.](#)

This Note is one of a series of Guaranteed Senior **Secured** Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Print Name

Director/Secretary Signature

Print Name

[FORM OF SERIES C NOTE]³

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

6.20% Series C Guaranteed Senior Secured Note Due 2019

No. C-[]
 U.S.\$[]

[Date]
 PPN: Q3946* AC7

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on September 24, 2019 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.20% per annum from the date hereof, payable semiannually, on the 24th day of March and September in each year, commencing with the March 24 or September 24 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 8.20% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make- Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

³ [The Series C Notes issued prior to the effective date of Amendment No. 2 shall be in the form specified in the Agreement prior to the effectiveness of Amendment No. 2.](#)

This Note is one of a series of Guaranteed Senior **Secured** Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Print Name

Director/Secretary Signature

Print Name

[FORM OF QP TRANSFER CERTIFICATE]**QP TRANSFER CERTIFICATE**

Reference is made to the Note and Guarantee Agreement dated as of September 24, 2009 (as from time to time amended, the “**Note and Guarantee Agreement**”), between FOXTEL Management Pty Limited (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**” and, the Guarantor, together with the Company, collectively, the “**Obligor**”), and the purchasers listed in Schedule A thereto.

Capitalized terms used in this QP Transfer Certificate but not defined herein are used as defined in the Note and Guarantee Agreement.

The undersigned transferee of Notes hereby represents and warrants to the Obligor as follows:

- (1) The undersigned **[circle either clause (a) or clause (b) below]**:
 - (a) is not a “U.S. person”, as defined in Rule 902(k) under the United States Securities Act of 1933, as amended; **or**
 - (b) is a “qualified purchaser”, as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder; **and**
- (2) The undersigned will not offer, sell, pledge or otherwise transfer any Note unless the transferee thereof delivers a QP Transfer Certificate to the Obligor, as set forth in Section 15.2 of the Note and Guarantee Agreement.

[INSERT NAME OF TRANSFEREE]

By: Name: _____
 Title:
 Dated: **EXHIBIT 24**

~~SUBSTITUTE POST-SECURITY RELEASE DATE PROVISIONS~~

~~(A) Section 7.2(a):~~

~~(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Obligor and the Partners, as the case may be, were in compliance with the requirements of Sections 10.5 through 10.8 hereof, inclusive, during the interim or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); provided that, (i) if neither the Obligor nor any Member, as the context requires, has been party to a Disposition during the relevant period covered by such certificate, then such certificate shall state such fact and information and calculations with respect to Section 10.5 shall not be included in such certificate, (ii) if all outstanding Indebtedness of each Member (other than the Obligor and any Member Guarantor) as of the last day of the relevant period covered by such certificate is permitted under clauses (i) through (v) of Section 10.6(a), then such certificate shall state such fact and information and calculations with respect to Section 10.6(a)(vi) need not be included in such certificate, and (iii) if all Liens on property and assets of the Obligor and any Member as of the last day of the relevant period covered by such certificate are permitted under clauses (i) through (vii) of Section 10.6(b), then such certificate shall state such fact and information and calculations with respect to Section 10.6(b)(viii) need not be included in such certificate; and~~

~~(B) Section 10.5:~~

~~10.5. Sale of Assets.~~

~~The Obligor will not, and the Obligor will not permit any Member to, sell, transfer, or otherwise dispose (collectively, a “Disposition”) of any of their properties or assets, except:~~

~~(a) Dispositions constituting the creation of a Lien not prohibited under Section 10.6(b);~~

~~(b) Dispositions to the Obligor or any Member Guarantor; provided, that, if the properties or assets subject to any such Disposition were subject to a Security prior to such Disposition, such properties or assets remain subject to a Security;~~

~~(c) Dispositions of property or assets in exchange for other properties or assets of comparable value and utility;~~

~~(d) Dispositions of worn out, obsolete or redundant property or assets;~~

~~(e) Dispositions on arms length terms of property or assets not required for the efficient operation of the Business; and~~

~~(f) other Dispositions, provided that any such Disposition is for fair market value and (i) the aggregate book value of the properties and assets subject to all such Dispositions pursuant to this clause (f) during any fiscal year of the FOXTEL Group does not exceed 10% of Total Assets as at the end of the immediately preceding fiscal year of the FOXTEL Group (the “Disposition Cap”) or (ii) within 365 days after any such Disposition or portion thereof that would cause the Disposition Cap to be exceeded, the net after tax proceeds of such Disposition (or relevant portion thereof, as the case may be) are used to (x) purchase productive assets for use by the Obligor or any Member Guarantor in the Business or (y) repay or prepay any unsubordinated Indebtedness of the Obligor or any Member Guarantor or any Indebtedness of any Member that is not a Member Guarantor (other than Indebtedness owing to the Obligor, a Member or a Partner); provided that, the Obligor has, on or prior to the application of any net after tax proceeds to the repayment or prepayment of any Indebtedness pursuant to the foregoing clause (y), (1) offered to prepay the Notes with such net after tax proceeds (in whole or, if the aggregate outstanding principal amount of the Notes at such time exceeds such net after tax proceeds, in part) in accordance with Section 8.5 or (2) offered to prepay the Notes *pro rata* with all such Indebtedness in accordance with Section 8.5, whereby the aggregate principal amount of the Notes subject to such offer of prepayment shall be equal to the product of (A) the net after tax proceeds being so applied and (B) a fraction, the numerator of which is the aggregate outstanding principal amount of the Notes at such time and the denominator of which is the aggregate outstanding principal amount of Indebtedness (including the Notes) receiving any repayment or prepayment (or offer thereof) pursuant to the foregoing clause (y); and provided further, that for purposes of this Section 10.5, “net after tax proceeds” shall mean the gross proceeds from such Disposition net of any taxes, costs and expenses associated therewith.~~

~~Any Disposition of shares of stock of any Member shall, for purposes of this Section 10.5, be valued at an amount that bears the same proportion to the total assets of such Member as the number of such shares bears to the total number of shares of stock of such Member.~~

~~Upon the Disposition in accordance with this Section 10.5 of any properties or assets constituting Secured Property, subject to any requirements of this Section 10.5 that such Secured Property continue to be subject to a Security and further subject to there not existing at such time any Default or Event of Default, the holders of Notes consent to such Secured Property being released from each Security to which it is subject and shall take those actions (at no cost or expense to such holders) reasonably requested by any Transaction Party or the Security Trustee necessary to release such Secured Property from such Security.~~

~~(C) Section 10.6:~~

~~10.6. Member Indebtedness; Liens.~~

~~(a) The Obligor will not permit any Member (other than the Obligor) to create, assume, incur or guaranty or otherwise be or become liable in respect of any Indebtedness, other than:~~

~~(i) Indebtedness secured by Liens of any Member permitted pursuant to Section 10.6(b)(vi) or, to the extent applicable to a Lien incurred pursuant to Section 10.6(b)(vi), Section 10.6(b)(vii);~~

~~(ii) Indebtedness of any Member Guarantor;~~

~~(iii) Indebtedness owing to the Obligor or to any other Member;~~

~~(iv) Indebtedness of each Person that becomes a Member or that merges into or consolidates with the Obligor or any Member, and which Indebtedness (x) was outstanding on the date that such Person so becomes a Member or merges into or consolidates with either Obligor or any Member and (y) was not incurred in contemplation of such Person becoming a Member or merging into or consolidating with the Obligor or any Member;~~

~~(v) any extension, renewal or refunding of any Indebtedness permitted pursuant to clause (a)(i) or (iv) above, provided that the principal amount of such Indebtedness is not increased; and~~

~~(vi) Indebtedness incurred by any Member in addition to Indebtedness described in clauses (a)(i) through (v) above, provided that immediately after giving effect thereto the sum (without duplication) of (i) the aggregate outstanding principal amount of all Indebtedness of all Members (other than Indebtedness excluded pursuant to any of clauses (a)(i) through (v) above) plus (ii) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to Section 10.6 (b)(viii), shall not exceed 10% of Total Assets at such time.~~

~~(b) The Obligor will not, and will not permit any Member to, create, permit or suffer to exist any Lien over all or any property or assets, whether now owned or hereafter acquired, of the Obligor or any Member Guarantor, except for:~~

~~(i) a Security;~~

~~(ii) Liens of any Member (other than the Obligor or any Member Guarantor) in favor of the Obligor or any other Member and Liens of the Obligor or any Member Guarantor in favor of the Obligor or any Member Guarantor;~~

~~(iii) Liens in relation to Capital Leases over STUs and other similar technical equipment; provided, that the aggregate book value of the STUs and other similar technical equipment subject to such Capital Leases at any time does not exceed A\$175,000,000;~~

~~(iv) Liens arising by operation of law in the ordinary course of its ordinary business securing (A) an obligation that is not yet due or (B) if due but unpaid, Indebtedness which is being contested in good faith;~~

~~(v) Liens in relation to retention of title arrangements entered into in the ordinary course of its business for a period of not more than 120 days;~~

~~(vi) Liens (A) on property or assets acquired, constructed or improved by the Obligor or any Member after the date of Closing, or in rights relating to such property or assets, which Liens are created at the time of acquisition or completion of construction or improvement of such property or assets within 365 days thereafter, to secure Indebtedness assumed or incurred to finance all or any part of the purchase price of the acquisition or cost of construction or improvement of such property or assets, (B) on property or assets at the time of the acquisition thereof by the Obligor or any Member (and not incurred in anticipation thereof), and (C) on property or assets of a Person at the time that such Person becomes a Member, or the Obligor or any Member acquires or leases the properties or assets of such Person as an entirety or substantially as an entirety, or such Person merges into or consolidates with the Obligor or any Member (and in each case not incurred in anticipation thereof), provided that (x) in the case of the foregoing clause (A), the aggregate principal amount of Indebtedness secured by any such Lien in respect of any such property or assets shall not exceed the lower of the cost and the fair market value of such property (or rights relating thereto) and (y) in the case of the foregoing clauses (A), (B) and (C), no such Lien shall extend to or cover any other property or assets of the Obligor or any Member;~~

~~(vii) Liens incurred in connection with any extension, renewal, refinancing, replacement or refunding of any Liens (or related Indebtedness) permitted pursuant to clause (vi) above, provided that (A) the principal amount of Indebtedness secured thereby immediately before giving effect to such extension, renewal, refinancing, replacement or refunding is not increased and (B) such Lien is not extended to any other property of the Obligor or any Member; and~~

~~(viii) Liens securing Indebtedness of the Obligor or any Member in addition to those described in clauses (b)(i) through (vii) above, provided that immediately after giving effect thereto the sum (without duplication) of (i) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to this clause (b)(viii) plus (ii) the aggregate outstanding principal amount of all Indebtedness of all Members (other than Indebtedness excluded pursuant to any of clauses (i) through (v) of Section 10.6(a)), shall not exceed 10% of Total Assets at such time.~~

DEED OF GUARANTEEDEED POLL DATED:

BY: The Companies listed in Annex I hereto, whose place of incorporation and address are specified therein (each a “**Member Guarantor**” and collectively, the “**Member Guarantors**”).

In favour of each person who is from time to time a Holder of one or more of any of the (i) U.S.\$31,000,000 5.04% Series A Guaranteed Senior Secured Notes due 2014, (ii) U.S.\$74,000,000 5.83% Series B Guaranteed Senior Secured Notes due 2016 and (iii) U.S.\$75,000,000 6.20% Series C Guaranteed Senior Secured Notes due 2019 (collectively, together with all notes delivered in substitution or exchange for any of said notes pursuant to the Note and Guarantee Agreement referred to below, the “**Notes**”), in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), pursuant to the Note and Guarantee Agreement dated as of September 24, 2009 (as amended, modified or supplemented from time to time, the “**Note and Guarantee Agreement**”), among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and each of the purchasers listed in Schedule A attached thereto.

Section 1. Definitions. Terms defined in the Note and Guarantee Agreement are used herein as defined therein.

Section 2. The Guarantee.

2.01 The Guarantee. It is acknowledged that the Company shall use the proceeds from the sale of the Notes to repay existing Indebtedness and for other general corporate purposes to the benefit of the FOXTEL Group, of which the Company and the Member Guarantors are a part. For such valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Member Guarantor hereby unconditionally, absolutely and irrevocably guarantees, on a joint and several basis, to each holder of a Note (each, a “**Holder**”) (a) the prompt payment in full, in Dollars, when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and, to the extent permitted by applicable law, on any overdue interest and on amounts described in Section 13 of the Note and Guarantee Agreement) and all other amounts from time to time owing by the Company under the Note and Guarantee Agreement and under the Notes (including, without limitation, costs, expenses and taxes), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed under the Note and Guarantee Agreement, in each case strictly in accordance with the terms thereof (such payments and other

obligations being herein collectively called the “**Guaranteed Obligations**”). Each Member Guarantor hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, each Member Guarantor will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to any Holder such amounts, to the extent lawful, as shall be sufficient to pay the reasonable costs and expenses of collection or of otherwise enforcing any of such Holder’s rights under the Note and Guarantee Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Member Guarantors under this Section 2.01 shall survive the transfer of any Note, and any obligations of the Member Guarantors under this Section 2.01 with respect to which the related underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive the payment of such Note.

2.02 Obligations Unconditional. (a) The obligations of the Member Guarantors under Section 2.01 are joint and several and constitute a present and continuing guaranty of payment and not collectibility and are absolute, irrevocable and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under the Note and Guarantee Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 2.02 that the obligations of the Member Guarantors hereunder shall be absolute, irrevocable and unconditional, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of any Member Guarantor hereunder which shall remain absolute, irrevocable and unconditional as described above:

(1) any amendment or modification of any provision of the Note and Guarantee Agreement or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security (including any Security) or any additional guarantee or any release of any security or guarantee (including the release of any other Member Guarantor as contemplated by Section 5.07) so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of the Note and Guarantee Agreement or the Notes, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company, the Guarantor or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, the Note and Guarantee Agreement, the Notes or any other agreement;

(5) any transfer or purported transfer of any assets to or from the Company or the Guarantor, including without limitation, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company or the Guarantor with or into any Person, any change in the ownership of any shares of capital stock or other equity interests of the Company or the Guarantor, or any change whatsoever in the objects, capital structure, constitution or business of the Company or the Guarantor;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or the Guarantor or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or the Guarantor or any other Person of, any term of the Note and Guarantee Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favour of, any beneficiaries or creditors of, the Company or the Guarantor or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of the Note and Guarantee Agreement, the Notes, any other Member Guarantee given by another Member Guarantor or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or the Guarantor or any trustee or agent thereof; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The guarantee under this Section 2 is a guarantee of payment and not collectibility and each Member Guarantor hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any Holder exhaust any right, power or remedy against the Company or the Guarantor under the Note and Guarantee Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Member Guarantor, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

(c) In the event that any Member Guarantor shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, such Member Guarantor shall not exercise any subrogation or other rights hereunder or under the Notes and such Member Guarantor hereby waives all rights it may have to exercise any

such subrogation or other rights, and all other remedies that it may have against the Company, the Guarantor or any other Member Guarantor, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. If any amount shall be paid to any Member Guarantor on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. Each Member Guarantor agrees that its obligations under this Deed of Guarantee shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any Holder, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

The guarantee in this Section 2 is a continuing guarantee and indemnity and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs. This Section 2 is a principal and independent obligation and, except for stamp duty purposes, is not ancillary or collateral to another document, agreement, right or obligation.

If an event permitting or causing the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person of a case or proceeding under a bankruptcy or insolvency law, each Member Guarantor agrees that, for purposes of this Deed of Guarantee and its obligations hereunder, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the Holders had accelerated the same in accordance with the terms of the Note and Guarantee Agreement, and each Member Guarantor shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amount and any other amounts guaranteed hereunder without further notice or demand.

2.03 Exclusion of Subrogation and Other Rights. Until each Holder has received payment of all the Guaranteed Obligations owed to it and each Holder is satisfied that it will not have to repay any money received by it in connection with the Guaranteed Obligations, each Member Guarantor must not (either directly or indirectly):

- (a) claim, exercise or attempt to exercise a right of set-off or any other right which might reduce or discharge such Member Guarantor's liability under this Deed of Guarantee;
- (b) claim or exercise a right of subrogation or a right of contribution or otherwise claim the benefit of any guarantee, security interest or negotiable instrument held or given, whether before or after this Deed of Guarantee is executed, as security for or otherwise in connection with the Guaranteed Obligations; or

(c) unless each Holder has given a written direction to do so, (i) prove, claim or exercise voting rights in the winding up of the Company, the Guarantor or another Member Guarantor in competition with such Holder, (ii) if a demand has been made by a Holder hereunder, claim or receive the benefit of a distribution, dividend or payment arising out of the winding up of the Company, the Guarantor or another Member Guarantor or (iii) if a demand has been made by a Holder hereunder, demand, or accept payment of, any money owed to such Member Guarantor by the Company, the Guarantor or any other Member Guarantor.

2.04 No Claim in Winding Up; Limitation on Set Off. Despite any liability of the Company, the Guarantor or any Member Guarantor to any Member Guarantor, no Member Guarantor has a debt provable in the winding up of the Company, the Guarantor or any Member Guarantor unless:

- (a) each Holder has received all of the Guaranteed Obligations owed to it and has notified the Member Guarantors in writing that it is satisfied that it will not have to repay any money received by it in reduction of the Guaranteed Obligations; or
- (b) each Holder has given a written direction to the Member Guarantors to prove such debt in the winding up of the Company, the Guarantor or any Member Guarantor, as the case may be.

Each Member Guarantor agrees that if the Company, the Guarantor or any Member Guarantor is wound up no set-off between mutual debts of any Member Guarantor and the Company, the Guarantor or any Member Guarantor will occur until any such Member Guarantor has a provable debt.

2.05 No Marshalling. No Holder need resort to any other Member Guarantee, any other guarantee or security interest before exercising a power under this Deed of Guarantee.

2.06 Exercise of Holders' Rights. (a) Each Holder may in its absolute discretion (i) demand payment of the Guaranteed Obligations from all or any of the Member Guarantors and (ii) proceed against all or any of them; and

(b) No Holder is obligated to exercise any of such Holder's rights under this Deed of Guarantee against (i) all of the Member Guarantors or (ii) any of the Member Guarantors (even if the Holder has exercised rights against another Member Guarantor) or (iii) two or more of the Member Guarantors at the same time.

2.07 Rescission of Payment. Whenever any of the following occurs for any reason (including under any law relating to bankruptcy, insolvency, liquidation, fiduciary obligations or the protection of creditors generally):

- (a) all or part of any transaction of any nature (including any payment or transfer) made during the term of this Deed of Guarantee which affects or relates in any way to the Guaranteed Obligations is void, set aside or voidable;

- (b) any claim that anything contemplated by paragraph (a) is so upheld, conceded or compromised; or
- (c) any Holder is required to return or repay any money or asset received by it under any such transaction or the equivalent in value of that money or asset,

the relevant Holder will immediately become entitled against each Member Guarantor to all rights in respect of the Guaranteed Obligations which it would have had if all or the relevant part of the transaction or receipt had not taken place. Each Member Guarantor shall indemnify each Holder against any resulting loss, cost or expense. This clause shall continue after this Deed of Guarantee is discharged.

2.08 Limitation. Anything herein to the contrary notwithstanding, the liability of any Member Guarantor under this Deed Guarantee shall in no event exceed an amount equal to the maximum amount which can be guaranteed by such Member Guarantor under applicable laws relating to the insolvency of debtors and fraudulent conveyance.

2.09 Indemnity. (a) If any Guaranteed Obligations (or moneys which would have been Guaranteed Obligations if it had not been irrecoverable) are irrecoverable by any Holder from (x) any Transaction Party; or (y) any Member Guarantor on the footing of a guarantee, the Member Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation shall:

- (1) indemnify each Holder against any loss suffered, paid or incurred by that Holder in relation to the non-payment of such money; and
- (2) pay such Holder an amount equal to such money.

(b) Section 2.09(a) applies to the Guaranteed Obligations (or money which would have been Guaranteed Obligations if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:

- (1) they are or may be irrecoverable because of any event described in Section 2.02(a);
- (2) the transactions or any of them relating to that money are void or illegal or avoided or otherwise unenforceable;
- (3) any matters relating to the Guaranteed Obligations are or should have been within the knowledge of any Holder; and
- (4) they are or may be irrecoverable because of any other fact or circumstance (other than the indefeasible payment in full of the Guaranteed Obligations).

Section 3. Representations and Warranties. Each Member Guarantor represents and warrants to the Holders that:

3.01 Organization; Power and Authority. Such Member Guarantor is a corporation or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Such Member Guarantor has the corporate or other organizational power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Deed of Guarantee and to perform the provisions hereof.

3.02 Authorization, etc. This Deed of Guarantee has been duly authorized by all necessary corporate or other organizational action on the part of such Member Guarantor, and this Deed of Guarantee constitutes a legal, valid and binding obligation of such Member Guarantor enforceable against such Member Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.03 Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by such Member Guarantor of this Deed of Guarantee will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Member Guarantor under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum or articles of association, partnership agreement, regulations or by-laws or other organizational document, or any other agreement or instrument to which such Member Guarantor is bound or by which such Member Guarantor or any of its properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Member Guarantor or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Member Guarantor.

3.04 Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by such Member Guarantor of this Deed of Guarantee including, without limitation, any thereof required in connection with the obtaining of Dollars to make payments under this Deed of Guarantee or the payment of such Dollars to Persons resident in the United States of America, except for any consents, approvals, authorizations, registrations, filings or declarations which have been made or obtained and are in full force and effect. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in the jurisdiction of organization of such Member Guarantor of this Deed of Guarantee, that this Deed of Guarantee or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax, except for any filings, recordations, enrollments or stamps which have been made or obtained and are in full force and effect.

3.05 Taxes. No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of or in the jurisdiction of organization of such Member Guarantor or any political subdivision thereof or therein will be incurred by such Member Guarantor or any Holder of a Note as a result of the execution or delivery of this Deed of Guarantee, except for any Taxes which have been paid.

3.06 Solvency. Such Member Guarantor is solvent and able to pay all its debts as and when they fall due and such Member Guarantor will not be rendered insolvent as a result of entering into the transactions contemplated by this Deed of Guarantee (after taking into consideration contingencies and contribution from others).

3.07 Ranking. Such Member Guarantor's payment obligations under this Deed of Guarantee constitute direct and general obligations of such Member Guarantor and rank (i) *pari passu* in right of payment and are secured equally and ratably with Indebtedness of such Member Guarantor that has the benefit of Security over the Secured Property of such Member Guarantor, as set forth in the Security Trust Deed, and (ii) *pari passu* in right of payment with all other Indebtedness of such Member Guarantor and senior to such Indebtedness to the extent of the Security over the Secured Property of such Member Guarantor.

Section 4. Tax Indemnity. All payments whatsoever under this Deed of Guarantee will be made by the relevant Member Guarantor in lawful currency of the United States of America free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by any Member Guarantor under this Deed of Guarantee, such Member Guarantor will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each Holder such additional amounts as may be necessary in order that the net amounts paid to such Holder pursuant to the terms of this Deed of Guarantee, after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such Holder under the terms of this Deed of Guarantee before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Excluded Tax;

(b) with respect to a Holder, provided that such Member Guarantor is registered under the laws of Australia, any Tax that would not have been imposed but for any breach by such Holder of any representation made or deemed to have been made by such Holder pursuant to Section 6.3(a), 6.3(c) or 6.3(d) of the Note and Guarantee Agreement;

(c) any Tax that would not have been imposed but for the existence of any present or former connection between such Holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, trust, partnership or corporation or any Person other than the Holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and Australia or any other Taxing Jurisdiction in which such Member Guarantor is organized, other than the mere holding of the relevant Note with the benefit of this Deed of Guarantee or the receipt of payments thereunder or hereunder, including, without limitation, such Holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for such Member Guarantor, after the date that such Member Guarantor so became a Member Guarantor, changing its jurisdiction of organization to the Taxing Jurisdiction imposing the relevant Tax;

(d) any Tax that would not have been imposed but for the delay or failure by such Holder (following a written request by any Member Guarantor) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such Holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such Holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such Holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such Holder, and provided further that such Holder shall be deemed to have satisfied the requirements of this clause (d) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of any Member Guarantor no later than 45 days after receipt by such Holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(e) any combination of clauses (a), (b), (c) and (d) above;

and provided further that in no event shall any Member Guarantor be obligated to pay such additional amounts to any Holder (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that such Member Guarantor would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such

additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and such Member Guarantor shall have given timely notice of such law or interpretation to such Holder.

By acceptance of any Note with the benefit of this Deed of Guarantee, the relevant Holder agrees, subject to the limitations of clause (d) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by any Member Guarantor all such forms, certificates, documents and returns provided to such Holder by such Member Guarantor (collectively, together with instructions for completing the same, “**Forms**”) required to be filed by or on behalf of such Holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide any Member Guarantor with such information with respect to such Holder as such Member Guarantor may reasonably request in order to complete any such Forms, provided that nothing in this Section 4 shall require any Holder to provide information with respect to any such Form or otherwise if in the opinion of such Holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such Holder, and provided further that each such Holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such Holder to the relevant Member Guarantor or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of any Member Guarantor (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

In connection with the transfer of any Note, the relevant Member Guarantors will furnish the transferee of such Note with copies of any Form then required pursuant to the preceding paragraph of this Section 4.

If any payment is made by any Member Guarantor to or for the account of any Holder after deduction for or on account of any Taxes, and increased payments are made by such Member Guarantor pursuant to this Section 4, then, if such Holder has received or been granted a refund of such Taxes, such Holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to such Member Guarantor such amount as such Holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of any Holder to arrange its tax affairs in whatever manner it thinks fit and, in particular, no Holder shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (d) above) oblige any Holder to disclose any information relating to its tax affairs or any computations in respect thereof.

The relevant Member Guarantor will furnish the Holders, promptly and in any event within 60 days after the date of any payment by such Member Guarantor of any Tax in respect of any amounts paid under this Deed of Guarantee the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of such Member Guarantor, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any Holder.

If any Member Guarantor is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which such Member Guarantor would be required to pay any additional amount under this Section 4, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against any Holder, and such Holder pays such liability, then such Member Guarantor will promptly reimburse such Holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by such Member Guarantor) upon demand by such Holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If any Member Guarantor makes payment to or for the account of any Holder and such Holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such Holder shall, as soon as practicable after receiving written request from such Member Guarantor (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by such Member Guarantor, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Member Guarantors under this Section 4 shall survive the payment or transfer of any Note and the provisions of this Section 4 shall also apply to successive transferees of the Notes.

Section 5. Miscellaneous.

5.01 Amendments, Etc. This Deed of Guarantee may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Member Guarantor and the Required Holders, except that no such amendment or waiver may, without the written consent of each Holder affected thereby, amend any of Section 2.01, 2.02, 4, this Section 5.01 or Section 5.04.

5.02 Notices. All notices and communications provided for hereunder shall be in writing and sent as provided in Section 20 of the Note and Guarantee Agreement (i) if to any Holder, to the address (whether electronic or physical) specified for such Holder in the Note and Guarantee Agreement and (ii) if to any Member Guarantor, to the address for such Member Guarantor set forth in Annex I hereto.

5.03 Jurisdiction and Process; Waiver of Jury Trial.

(a) Each Member Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Deed of Guarantee or any other document executed in connection herewith. To the fullest extent permitted by applicable law, each Member Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Member Guarantor agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 5.03(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each Member Guarantor consents to process being served by or on behalf of any Holder in any suit, action or proceeding of the nature referred to in Section 5.03(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 5.02, to National Registered Agents, Inc., at 875 Avenue of the Americas, Suite 501, New York, New York, 10001, as its agent for the purpose of accepting service of any process in the United States. Each Member Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 5.03 shall affect the right of any Holder to serve process in any manner permitted by law, or limit any right that the Holders may have to bring proceedings against any Member Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each Member Guarantor hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) EACH MEMBER GUARANTOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS DEED OF GUARANTEE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

5.04 Obligation to Make Payment in Dollars. Any payment on account of an amount that is payable by any Member Guarantor under this Deed of Guarantee in Dollars which is made to or for the account of any Holder in any other currency shall constitute a discharge of the obligation of such Member Guarantor under this Deed of Guarantee only to the extent of the amount of Dollars which such Holder could purchase in the foreign exchange markets in

London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such Holder from any Member Guarantor, such Member Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such Holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Deed of Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such Holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order. As used herein the term “**London Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

5.05 Successors and Assigns. All covenants and other agreements of each of the Member Guarantors in this Deed of Guarantee shall bind its respective successors and assigns and shall inure to the benefit of the Holders and their respective successors and assigns.

5.06 Severability. Any provision of this Deed of Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

5.07 Termination. Notwithstanding anything to the contrary contained herein, upon any notice by the Company with respect to any Member Guarantor as provided in, and satisfying the requirements of, Section 9.8(f) of the Note and Guarantee Agreement, such Member Guarantor shall be automatically released from this Deed of Guarantee and this Deed of Guarantee shall be of no further force and effect with respect to such Member Guarantor as at the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any Holder or any other Person.

5.08 Additional Member Guarantors. One or more additional Members may become party to this Deed of Guarantee by executing and delivering to each holder an Accession Deed in the form of Annex II hereto, in which case each such Member shall, from and after the date of the execution and delivery of such Accession Deed, be for all purposes a “Member Guarantor” hereunder, and each such Member Guarantor shall be deemed to have made the representations and warranties in Section 3 hereof to each holder as of such date.

5.09 Shareholder Ratification. Each Member Guarantor that is a shareholder of another Member Guarantor hereby ratifies and confirms the entry by such other Member Guarantor into, and the performance by such other Member Guarantor of all of its obligations under, this Deed of Guarantee.

5.10 Deed Poll. This Deed of Guarantee shall take effect as a Deed Poll for the benefit of the Holders from time to time and for the time being.

5.11 Taxes. The Member Guarantors will pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Deed of Guarantee in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, this Deed of Guarantee, and will save each Holder to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Member Guarantors hereunder.

5.12 Governing Law. This Deed of Guarantee shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

5.13 Counterparts. This Deed of Guarantee may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

* * * * *

EXECUTED AS A DEED by the Member Guarantors as of the day and year first above written.

Executed in accordance with section 127 of the *Corporations Act 2001* by **CUSTOMER SERVICES PTY LIMITED:**

/s/ Kim Williams
Director Signature

Print Name

/s/ Lynette Ireland
Secretary Signature

SIGNED BY-
LYNETTE IRELAND

Print Name

Signature Page to
FOXTEL Member Guarantee

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL CABLE TELEVISION PTY LIMITED:**

/s/ Kim Williams
Director Signature

Print Name

/s/ Lynette Ireland
Secretary Signature

SIGNED BY-
LYNETTE IRELAND

Print Name

Signature Page to
FOXTEL Member Guarantee

Executed in accordance with section 127 of the *Corporations Act 2001* by **ARTIST SERVICES CABLE MANAGEMENT PTY LIMITED:**

/s/ Peter Tonagh

Director Signature

PETER TONAGH

Print Name

Director/Secretary Signature

Print Name

Signature Page to
FOXTEL Member Guarantee

Executed in accordance with section 127 of the *Corporations Act 2001* by **THE RACING CHANNEL CABLE-TV PTY LIMITED:**

/s/ Kim Williams
Director Signature

Print Name

/s/ Peter Tonagh
Director Signature

PETER TONAGH

Print Name

Signature Page to
FOXTEL Member Guarantee

Member Guarantors

<u>Name</u>	<u>Place of Incorporation</u>	<u>Address</u>
Customer Services Pty Limited	Australia	5 Thomas Holt Drive Sydney NSW 2113 Australia Attention: Company Secretary
FOXTEL Cable Television Pty Limited	Australia	5 Thomas Holt Drive Sydney NSW 2113 Australia Attention: Company Secretary
Artist Services Cable Management Pty Limited	Australia	5 Thomas Holt Drive Sydney NSW 2113 Australia Attention: Company Secretary
The Racing Channel Cable- TV Pty Limited	Australia	5 Thomas Holt Drive Sydney NSW 2113 Australia Attention: Company Secretary

[Form of Accession Deed]

ACCESSION DEED

THIS DEED POLL is made on [insert date] by [insert name of Member Guarantor] (ABN _____) (incorporated in [insert name of jurisdiction]) of [insert address of Member Guarantor] (“**Member Guarantor**”).

RECITALS:

- A. Under a Deed of Guarantee (“**Deed of Guarantee**”) dated September 24, 2009 executed by each Initial Member Guarantor in favour of each person who is from time to time a holder (“**Holder**”) of one or more of any of the (i) U.S.\$31,000,000 5.04% Series A Guaranteed Senior Secured Notes due 2014, (ii) U.S.\$74,000,000 5.83% Series B Guaranteed Senior Secured Notes due 2016 and (iii) U.S.\$75,000,000 6.20% Series C Guaranteed Senior Secured Notes due 2019, in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), pursuant to the Note and Guarantee Agreement dated as of September 24, 2009, among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership, and each of the purchasers listed in Schedule A attached thereto, a person may become a Member Guarantor by execution of this deed poll.
- B. The Member Guarantor wishes to guarantee to each Holder the Guaranteed Obligations and to become a Member Guarantor.

THIS DEED POLL WITNESSES as follows:

1. Definitions and interpretation

- (a) In this deed poll words and phrases defined in the Deed of Guarantee have the same meaning.

(b) In this deed poll:

“**Additional Member Guarantor**” means any person that has become a Member Guarantor (since the date of execution of the Deed of Guarantee) by execution of an Accession Deed;

“**Existing Member Guarantor**” means an Initial Member Guarantor or an Additional Member Guarantor and which, in either case, has not been released from the Deed of Guarantee;

“**Guaranteed Obligations**” has the same meaning as in the Deed of Guarantee;

“**Holder**” has the meaning given in Recital A above; and

“**Initial Member Guarantor**” means each Person that shall have initially executed and delivered the Deed of Guarantee.

(c) In this deed poll:

(1) A reference to the Deed of Guarantee includes all amendments or supplements to, or replacements or novations of, either of them; and

(2) a reference to a Holder includes its successors and permitted assigns.

2. Guarantee

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Member Guarantor hereby jointly and severally with each Existing Member Guarantor absolutely, irrevocably and unconditionally guarantees to each Holder the due and punctual payment and performance of the Guaranteed Obligations.

3. Representations and Warranties

The Member Guarantor represents and warrants as set out in Section 3 of the Deed of Guarantee.

4. Status of Guarantor

The Member Guarantor agrees that it hereby becomes a “Member Guarantor” as defined in, and for all purposes under, the Deed of Guarantee as if named in and as a party to the Deed of Guarantee, and accordingly is bound by the Deed of Guarantee as a Member Guarantor.

5. Benefit of deed poll

This deed poll is given in favour of and for the benefit of:

(a) each Holder; and

(b) each Existing Member Guarantor;

and their respective successors and permitted assigns.

6. Address for notices

The details for the Member Guarantor for service of notices are:

Email:

Address:

Attention:

Facsimile:

7. Jurisdiction and process

The provisions of Section 5.03 of the Deed of Guarantee shall apply, *mutatis mutandis*, to this deed poll as if set out in full.

8. Governing law and jurisdiction

This deed poll shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

EXECUTED as a deed poll:

SIGNED and DELIVERED
for **[INSERT NAME OF MEMBER**
GUARANTOR]

by its attorney:

Attorney

Name (please print)

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

in its own capacity

as guaranteed by:

SKY CABLE PTY LIMITED

(ABN 14 069 799 640)

TELSTRA MEDIA PTY LIMITED

(ABN 72 069 279 027)

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

in its capacity as agent for the Partners as a partnership
carrying on the business of the FOXTEL Partnership
and as agent for the FOXTEL Television Partnership

and

the **FOXTEL GROUP MEMBER GUARANTORS**

U.S.\$500,000,000

3.68% Series D Guaranteed Senior Notes due 2019

4.27% Series E Guaranteed Senior Notes due 2022

4.42% Series F Guaranteed Senior Notes due 2024

A\$100,000,000

7.04% Series G Guaranteed Senior Notes due 2022

NOTE AND GUARANTEE AGREEMENT

Dated as of July 25, 2012

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FOXTEL MANAGEMENT PTY LIMITED

*5 Thomas Holt Drive
North Ryde NSW 2113
Australia*

SKY CABLE PTY LIMITED

*Level 5, 2 Holt Street
Surry Hills NSW 2010
Australia*

TELSTRA MEDIA PTY LIMITED

*Level 41, Telstra Centre
242 Exhibition Street
Melbourne, Victoria 3000
Australia*

FOXTEL MANAGEMENT PTY LIMITED

in its capacity as agent for the Partners as a partnership
carrying on the business of the FOXTEL Partnership
and as agent for the FOXTEL Television Partnership

*5 Thomas Holt Drive
North Ryde NSW 2113
Australia*

3.68% Series D Guaranteed Senior Notes due 2019
4.27% Series E Guaranteed Senior Notes due 2022
4.42% Series F Guaranteed Senior Notes due 2024
7.04% Series G Guaranteed Senior Notes due 2022

As of July 25, 2012

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 279 027) (“**Telstra Media**” and, together with Sky Cable, each a “**Partner**” and collectively the “**Partners**”) and FOXTEL Management, in its

capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the **“Guarantor”** and, the Guarantor, together with the Company, collectively, the **“Obligor”**), agree with each of the purchasers whose names appear at the end hereof (each a **“Purchaser”** and collectively the **“Purchasers”**) as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale in four series of U.S.\$500,000,000 and A\$100,000,000 aggregate principal amount of its Guaranteed Senior Notes, of which U.S.\$150,000,000 aggregate principal amount shall be its 3.68% Series D Guaranteed Senior Notes due 2019 (the **“Series D Notes”**), U.S.\$200,000,000 aggregate principal amount shall be its 4.27% Series E Guaranteed Senior Notes due 2022 (the **“Series E Notes”**), U.S.\$150,000,000 aggregate principal amount shall be its 4.42% Series F Guaranteed Senior Notes due 2024 (the **“Series F Notes”**) and A\$100,000,000 aggregate principal amount shall be its 7.04% Series G Guaranteed Senior Notes due 2022 (the **“Series G Notes”**) and, together with the Series D Notes, the Series E Notes and the Series F Notes, the **“Notes”**, such term to include any such notes issued in substitution therefor pursuant to Section 15). The Notes shall be substantially in the respective form set out in Exhibit 1-A, 1-B, 1-C and 1-D. Certain capitalized and other terms used in this Agreement are defined in Schedule B; and references to a **“Schedule”** or an **“Exhibit”** are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Payment of the principal of, Make-Whole Amount (if any), Modified Make-Whole Amount (if any) and interest on the Notes and all other amounts owing hereunder shall be unconditionally guaranteed by (i) the Guarantor and the Partners as provided in Section 14 and (ii) the Member Guarantors as provided in their respective Member Guarantees.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the respective series and in the principal amount specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’ obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Chapman and Cutler LLP, 595 Market Street, 26th Floor, San Francisco, California 94105, at approximately 10:00 A.M., New York time, at a closing (the **“Closing”**) on July 25, 2012. At the Closing the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note for each series to be so purchased (or such greater number of Notes in denominations of at least U.S.\$100,000, in the case of the U.S. Dollar Notes, and A\$100,000, in the case of the Series G Notes, as such Purchaser may request dated the date of the Closing and registered in such Purchaser’s name (or in the name of its

nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds to (i) in the case of the U.S. Dollar Notes, The Bank of New York, New York, 1 Wall Street, New York, NY 10286, ABA No. 021000018, Swift Code: IRVTUS3N, For further credit to: Commonwealth Bank of Australia, Swift Code: CTBAAU2S, Banking Operations, Sydney, For the credit of: FOXTEL Management Pty Limited, Account No.: 100611560USD115601 and (ii) in the case of the Series G Notes, The Commonwealth Bank of Australia, Level 21, Darling Park Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia, BSB: 064 000, Account Number: 1065 9223, Account Name: FOXTEL Management. If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Obligor and the Partners in this Agreement and of the Member Guarantors in their respective Member Guarantees shall be correct when made and at the time of the Closing.

4.2. Performance; No Default.

The Obligor and the Partners shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds of the Notes as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. No Member (in the case of Section 10.1 or 10.5) or Partner (in the case of Section 10.5) shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10.1 or 10.5 had such Sections applied since such date.

4.3. Compliance Certificates.

(a) Officer's Certificate. The Obligor and each Partner shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 with respect to the Obligor and the Partners have been fulfilled.

(b) Secretary's or Director's Certificate. Each Transaction Party shall have delivered to such Purchaser a certificate of its Secretary or an Assistant Secretary or a Director or other appropriate person, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate, partnership or other organizational proceedings relating to the authorization, execution and delivery of (i) this Agreement and the Notes (in the case of the Company), (ii) this Agreement (in the case of the Guarantor and the Partners) and (iii) the respective Member Guarantees (in the case of each Member Guarantor).

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from (i) Sidley Austin, U.S. counsel for the Transaction Parties, and (ii) Allens Linklaters, Australian counsel for the Transaction Parties, substantially in the respective forms set forth in Exhibits 4.4(a)(i) and 4.4(a)(ii) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Obligor and the Partners hereby instruct their counsel to deliver such opinions to the Purchasers) and (b) from Chapman and Cutler LLP, the Purchasers' U.S. counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5. Purchase Permitted By Applicable Law, Etc.

On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate from the Company certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6. Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

4.7. Payment of Special Counsel Fees.

Without limiting the provisions of Section 17.1, the Obligor shall have paid on or before the Closing the reasonable fees, charges and disbursements of (i) the Purchasers' special counsel referred to in Section 4.4(b) and (ii) Minter Ellison, the Purchasers' special Australian counsel, in each case to the extent reflected in a statement of such counsel rendered to the Company at least three Business Days prior to the Closing.

4.8. Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each series of Notes.

4.9. Changes in Corporate Structure.

(a) Except as set forth on Schedule 4.9(a), no Reporting Member shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

(b) The Group Structure Diagram shall be true and correct in all respects and shall not omit any material information or details.

4.10. Acceptance of Appointment to Receive Service of Process.

Such Purchaser shall have received evidence of the acceptance by National Registered Agents, Inc. of the appointment and designation provided for by Section 24.10(e) hereof and Section 5.03(e) of each Member Guarantee, in each case for the period from the date of this Agreement through July 25, 2025.

4.11. Funding Instructions.

At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (a) the name and address of each transferee bank, (b) such transferee bank's ABA number or other equivalent identifying information and (c) the account name and number into which the purchase price for each relevant series of Notes is to be deposited.

4.12. Member Guarantors; Member Guarantees.

With respect to the Member Guarantors, such Purchaser shall have received:

- (a) a true and complete copy of a Member Guarantee duly executed and delivered by each Member Guarantor identified in Schedule 5.4, and each such Member Guarantee shall be in full force and effect; and
- (b) a certificate signed by a director or an appropriate officer of each Member Guarantor dated the date of Closing confirming that (i) such Member Guarantor is, and after giving its Member Guarantee will be, solvent and able to pay all of its debts as and when they become due and payable and (ii) such Member Guarantor is entering into its Member Guarantee for the commercial benefit of such Member Guarantor.

4.13. Proceedings and Documents.

All corporate and other organizational proceedings in connection with the transactions contemplated by the Finance Documents and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

4.14. Shareholder Loan Subordination Deed and Senior Debt Nomination Letter.

The Obligor shall have delivered to each Purchaser (i) a true and correct copy of the executed Shareholder Loan Subordination Deed, (ii) an executed Senior Debt Nomination Letter in substantially the form attached hereto as Exhibit 4.14(a) and (iii) an opinion letter from Allens Linklaters in substantially the form attached hereto as Exhibit 4.14(b) and, upon delivery of such Senior Debt Nomination Letter and such opinion letter, such Purchaser acknowledges and agrees that the Shareholder Loan Subordination Deed shall constitute a "Subordination Deed" for purposes of this Agreement and that the Shareholder Debt of any Member shall constitute "Subordinated Debt" for purposes of this Agreement; provided that, for the avoidance of doubt, the Shareholder Debt shall be limited to the loan of up to A\$900,000,000 (together with any capitalized interest thereon) provided to the Company by the Subordinated Creditors in connection with the AUSTAR Acquisition pursuant to the terms of the Shareholder Loan Subordination Deed.

5. REPRESENTATIONS AND WARRANTIES OF THE OBLIGOR AND THE PARTNERS.

The Obligor represents and warrants to each Purchaser as set forth below, and each Partner represents and warrants in respect of itself to each Purchaser as set forth in Sections 5.1, 5.2, 5.6, 5.10, 5.16, 5.21(i), 5.22 and 5.23 below, as of the date of the Closing that:

5.1. Organization; Power and Authority.

The Obligor and each Partner is a corporation or partnership, as the case may be, duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation or partnership and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Obligor and each Partner has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement (in the case of the Obligor and the Partners) and the Notes (in the case of the Company) and to perform the provisions of the Finance Documents to which it is a party.

5.2. Authorization, Etc.

The Finance Documents to which the Obligor and each Partner each is a party have been duly authorized by all necessary corporate or partnership action on the part of the Obligor or such Partner, as the case may be, and such Finance Documents (other than the Notes) constitute, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Obligor or such Partner, as the case may be, enforceable against the Obligor or such Partner in accordance with its terms, except, in each case, as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. Disclosure.

The Obligor, through its agents, ANZ Securities, Inc., Commonwealth Australia Securities LLC and J.P. Morgan Securities Inc., have delivered to each Purchaser a copy of a Private Placement Memorandum, dated May 2012 (the "**Memorandum**"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of the FOXTEL Group. This Agreement, the Memorandum and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Obligor in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement, the Memorandum and such documents, certificates or other writings and financial statements delivered to each Purchaser being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Notwithstanding the foregoing, the Obligor does not make any representations or warranties with respect to any projections or forward looking statements contained in any of the Disclosure Documents, other than such projections and forward looking statements are based on information that the Obligor believes to be accurate and such projections and forward looking statements were calculated or arrived at in a manner that the Obligor believes to be reasonable. Except as disclosed in the Disclosure Documents, since June 30, 2011 there has been no change in the financial condition, operations, business, properties or prospects of the FOXTEL Group except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Obligor that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

5.4. Organization and Ownership.

(a) The Shareholders legally and beneficially own and control (directly or indirectly) 100% of the FOXTEL Group. All of the outstanding shares of capital stock or similar equity interests of each Member shown in Schedule 5.4 as being owned by the Partners and the Members have been validly issued, are fully paid and nonassessable and are owned by the Partners or a Member free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(b) All Members and Subsidiaries of Members are listed on the Group Structure Diagram. The Group Structure Diagram is true and correct in all material respects and does not omit any material information or details.

(c) Schedule 5.4 contains (except as noted therein) complete and correct lists of (i) each Member's Affiliates, other than Subsidiaries, (ii) each Transaction Party's directors and senior officers and (iii) the Member Guarantors.

(d) Each Member is a corporation, partnership or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation, partnership or other legal entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Member has the corporate, partnership or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(e) No Member is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate or partnership law or similar statutes) restricting the ability of such Member to pay dividends out of profits or make any other similar distributions of profits to any Member that owns outstanding shares of capital stock or similar equity interests of such Member.

5.5. Financial Statements; Material Liabilities.

The Obligor has delivered to each Purchaser copies of the financial statements listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) have been prepared in accordance with Relevant GAAP, where applicable for special purpose accounts, and give a true and fair view of the combined financial position of the FOXTEL Group as of the respective dates and for the respective periods specified in such Schedule (subject, in the case of any interim financial statements, to normal year-end adjustments). There are no Material liabilities of the FOXTEL Group or any Member that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6. Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Obligor and each Partner of each Finance Document to which it is a party will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of any Transaction Party under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, partnership agreement, memorandum and articles of association, regulations or by-laws or other organizational document, or any other agreement or instrument to which any Transaction Party or any other Member is bound or by which any Transaction Party or any other Member or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of

any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to any Transaction Party or any other Member or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to any Transaction Party or any other Member.

5.7. Governmental Authorizations, Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Obligor or either Partner of any Finance Document to which it is a party, including, without limitation, any thereof required in connection with the obtaining of U.S. Dollars or Australian Dollars, as applicable, to make payments under any Finance Document and the payment of such U.S. Dollars or Australian Dollars, as applicable, to Persons resident in the United States of America, Canada, Japan or Australia, as the case may be. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Australia of any Finance Document that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax.

5.8. Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligor, threatened against or affecting any Member or any property of any Member in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) No Member is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, but only to the extent applicable thereto, Environmental Laws, the USA PATRIOT Act or AML / Anti-Terrorism Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.9. Taxes.

Each Member has filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments or filings related thereto (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the relevant Member has established adequate reserves in accordance with Relevant GAAP. The Obligor knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the FOXTEL Group and each Member in respect of Federal, state or other taxes for all fiscal periods are adequate.

No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of Australia or any political subdivision thereof will be incurred by the Obligor, either Partner or any holder of a Note as a result of the execution or delivery of this Agreement and the Notes and no deduction or withholding in respect of Taxes imposed by or for the account of Australia or, to the knowledge of the Obligor and each Partner, any other Taxing Jurisdiction, is required to be made from any payment by the Obligor or either Partner under the Finance Documents to which it is a party, except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority of Australia or any political subdivision thereof arising out of circumstances described in clauses (a) through (f), inclusive, of Section 13.

5.10. Title to Property; Leases.

Each Transaction Party and each other Member has good and sufficient title to its respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by any Transaction Party or any Member after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11. Licenses, Permits, Etc.

(a) Each Member owns or possesses all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto necessary for the conduct of their respective businesses without known conflict in any respect with the rights of others;

(b) To the best knowledge of the Obligor, no product of any Member infringes in any respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person; and

(c) To the best knowledge of the Obligor, there is no violation by any Person of any right of any Member with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by any Member;

except in any of the foregoing cases, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.12. Compliance with ERISA; Non-U.S. Plans.

(a) Neither the Obligor nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has, at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Code. Neither the Obligor nor any ERISA Affiliate is, or has ever been at any time within the past six years, a “party in interest” (as defined in section 3(14) of ERISA) or a “disqualified person” (as defined in section 4975 of the Code) with respect to any such plan.

(b) The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the relevant Member’s most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term “benefit liabilities” has the meaning specified in section 4001 of ERISA and the terms “current value” and “present value” have the meaning specified in section 3 of ERISA.

(c) No Member has incurred any Material obligation in connection with the termination of or withdrawal from any Non-U.S. Plan.

(d) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by any Member have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13. Private Offering by the Obligor and the Partners.

Neither the Obligor nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchasers and approximately 61 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Obligor nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

5.14. Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes to repay existing Indebtedness and for other general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Obligor in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). No Member owns any margin stock and no Member has any present intention to acquire any margin stock. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

5.15. Existing Indebtedness.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct summary list of outstanding Indebtedness of the FOXTEL Group as of June 30, 2012 (including a description of the obligors and obligees, principal amount outstanding, collateral therefor, if any, Guaranty thereof, if any, and whether such Indebtedness is Subordinated Debt), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the FOXTEL Group. No Member is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of such Member and no event or condition exists with respect to any Indebtedness of any Member that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, no Partner or Member has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.6(b).

(c) The Obligor is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Obligor, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Obligor, except as specifically indicated in Schedule 5.15.

5.16. Foreign Assets Control Regulations, Etc.

(a) No Transaction Party or any Subsidiary thereof or any Member or any Subsidiary thereof is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, U.S. Department of Treasury (“**OFAC**”) (an “**OFAC Listed Person**”), (ii) a Person officially sanctioned by the government of the United States or Australia pursuant to any AML / Anti-Terrorism Laws (an “**AML / Anti-Terrorism Law Listed Person**” and, together with any OFAC Listed Person, a “**Listed Person**”) or (iii) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, (x) any Listed Person or (y) any country, government or regime that is subject to any OFAC Sanctions Program (a “**Restricted Country**”, and each Listed Person and each Restricted Country, individually and collectively, a “**Blocked Person**”).

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used, directly or indirectly by a Transaction Party or any Subsidiary thereof, any Member or any Subsidiary thereof or any Person Controlled by a Transaction Party or any Member, in connection with any investment in, or any transactions or dealings with, any Blocked Person.

(c) To the Obligor's actual knowledge after making due inquiry, no Transaction Party or any Subsidiary thereof or any Member or any Subsidiary thereof (i) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering or terrorist-related activities under any applicable law (collectively, "AML / Anti-Terrorism Laws"), (ii) has been assessed civil penalties under any AML / Anti-Terrorism Laws or (iii) has had any of its funds seized or forfeited in an action under any AML / Anti-Terrorism Laws. Each Transaction Party, each Subsidiary thereof, each Member and each Subsidiary thereof has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that each such Person is in compliance with all applicable AML / Anti-Terrorism Laws.

(d) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any improper payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to improperly obtain, retain or direct business or obtain any improper advantage. Each Transaction Party, each Subsidiary thereof, each Member and each Subsidiary thereof has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that each such Person is in compliance with all applicable anti-corruption laws and regulations.

5.17. Status under Certain United States Statutes.

(a) Neither the Company, the FOXTEL Partnership, the FOXTEL Television Partnership nor any Member Guarantor is required to register as an "investment company" under the Investment Company Act, either before or after giving effect to the offer and sale of the Notes with the benefit of the Member Guarantees and the application of the proceeds thereof and (b) no Member is subject to regulation under the United States Federal Power Act, as amended.

5.18. Environmental Matters.

(a) No Member has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against such Member or any of its real properties now or formerly owned, leased or operated by such Member or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) No Member has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(c) No Member has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(d) All buildings on all real properties now owned, leased or operated by any Member are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.19. Ranking of Obligations.

All liabilities of the Obligor and each Partner under the Finance Documents to which it is a party will, upon issuance of the Notes, rank at least *pari passu* in right of payment, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Obligor or such Partner, as the case may be.

5.20. Representations of Member Guarantors.

The representations and warranties of each Member Guarantor contained in its Member Guarantee are true and correct as of the date they are made and as of the date of Closing.

5.21. Not a Trustee.

No Transaction Party (i) enters into any Finance Document as the trustee of any trust and none of the Partnership Property is held by a Partner as trustee of any trust or (ii) holds any assets as the trustee of any trust.

5.22. Immunity.

No Transaction Party nor any property of any Transaction Party has immunity from the jurisdiction of a court or from legal process.

5.23. Solvency, Etc.

The Obligor and each Partner is, and after giving effect to this Agreement will be, solvent and able to pay all of its debts as and when they become due and payable (which, for the avoidance of doubt, includes all contingent liabilities) and, in the case of contingent liabilities, after taking into account contributions from others. Entering into this Agreement is in the Obligor's and each Partner's best interests and for its commercial benefit.

6. REPRESENTATIONS OF THE PURCHASERS.

6.1. Purchase for Investment.

Each Purchaser severally represents as of the date of the Closing that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only subject to the requirements of Section 15.2 and, in any case, if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that neither the Obligor nor the Partners are required to register the Notes.

6.2. Investment Company Act.

(a) Each Purchaser that is a U.S. Person severally represents as of the date of the Closing that it is a Qualified Purchaser.

(b) As of the date of the Closing, each Purchaser represents to and agrees with the Obligor and the Partners that it will not offer, sell, pledge or otherwise transfer any Note to any Person unless such Person delivers a QP Transfer Certificate to the Obligor, as set forth in Section 15.2.

6.3. Australian Matters, etc.

(a) Each Purchaser represents as of the date of the Closing that it is not an Associate.

(b) Each Purchaser acknowledges that it has been advised by the Obligor that no prospectus or other disclosure document in relation to the Notes has been or will be lodged with ASIC or ASX Limited by or on behalf of the Obligor or the FOXTEL Group. As of the date of the Closing, each Purchaser represents and agrees that it:

(1) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a Person in Australia); and

(2) has not distributed or published, and will not distribute or publish, the Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and (ii) such action complies with all applicable laws and regulations.

(c) Each Purchaser agrees that, in connection with the primary distribution of the Notes to occur at the Closing, it will not sell Notes (or an interest or right in respect of any Note) to (A) any Person who has been identified to such Purchaser in writing by the Obligor to be an Associate other than as permitted under section 128F(5) of the Australian Tax Act, or (B) any other Person if, at the time of such sale, the employees of the Purchaser aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by such an Associate other than as permitted under section 128F(5) of the Australian Tax Act.

(d) Each Purchaser represents as of the date of the Closing that it is purchasing the Notes in connection with the carrying on of a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets.

7. INFORMATION AS TO THE FOXTEL GROUP.

7.1. Financial and Business Information.

The Obligor shall deliver to each holder of Notes that is an Institutional Investor:

(a) Interim Statements — promptly after the same are available and in any event within 30 Business Days after the end of each semiannual fiscal period in each fiscal year of the FOXTEL Group, copies of the unaudited management accounts of the FOXTEL Group (on an aggregated basis) for such semiannual fiscal period, setting forth in each case in comparative form the figures for the corresponding period in the previous fiscal year, all in reasonable detail, and certified by a Senior Financial Officer as giving a true and fair view of the financial position of the FOXTEL Group as at the end of such semiannual fiscal period and of the FOXTEL Group's financial performance for such period;

(b) Annual Statements — promptly after the same are available and in any event within 90 days after the end of each fiscal year of the FOXTEL Group, copies of an audited Financial Report of the FOXTEL Group (on an aggregated basis) for such year, setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with Relevant GAAP, where applicable for special purpose accounts, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such Financial Report gives a true and fair view of the financial position of the FOXTEL Group as at the end of such fiscal year and of the FOXTEL Group's financial performance for such fiscal year, and that the audit related to such Financial Report has been made in accordance with Australian Auditing Standards (as such term is used and defined in such accountants' opinion, and as the wording of such accountants' opinion may be updated or amended from time to time in accordance with industry practice and standards), where applicable for special purpose accounts;

(c) ASX, ASIC, SEC and Other Reports — promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice or proxy statement or similar document sent by the Obligor, either Partner or any Member to the FOXTEL Group's principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to any Member's public securities holders generally, (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), each prospectus and all amendments thereto related to the FOXTEL Group or any Member and filed by the Obligor, either Partner or any Member with the ASX Limited, ASIC, the New York Stock Exchange, the United States Securities Exchange Commission or any similar Governmental Authority, stock exchange or securities exchange and (iii) all press releases and other statements made available generally by the Obligor, either Partner or any Member to the public, in each case concerning developments that are Material;

(d) Notice of Default or Event of Default — promptly and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11 (f), a written notice specifying the nature and period of existence thereof and what action the Obligor and the Partners are taking or propose to take with respect thereto;

(e) Employee Benefit Matters – promptly and in any event within thirty days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Obligor or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Obligor or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Obligor or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Obligor or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of the notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans, together with a description of the action, if any, that the Obligor proposes to take with respect thereto;

(f) Notices from Governmental Authority — promptly, and in any event within 30 days of receipt thereof, copies of any notice to any Member from any Governmental Authority (or any such notice to any Partner that has been provided to any Member) relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) Requested Information — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of any Member or relating to the ability of the Obligor or the Partners to perform its respective obligations under the Finance Documents to which it is a party, as from time to time may be reasonably requested by any such holder of Notes, including information readily available to the Obligor or either Partner explaining the financial statements of the FOXTEL Group or any Reporting Member if such information has been requested by the SVO in order to assign or maintain a designation of the Notes; and

(h) Group Structure Diagram — an updated Group Structure Diagram at any time that the then current Group Structure Diagram becomes incorrect or misleading.

7.2. Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer of the Obligor setting forth:

(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Obligor and the Partners, as the case may be, were in compliance with the requirements of Sections 10.5 through 10.8 hereof, inclusive, and any Additional Covenants, during the interim or annual period covered by the statements then being furnished (including with respect to each such Section and any Additional Covenants, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections and Additional Covenants, and the calculation of the amount, ratio or percentage then in existence (including, in the case of Section 10.8, a calculation of any pro forma adjustment to EBITDA as a result of any acquisitions or disposals during the applicable period)); provided that, (i) if none of the Obligor, the Partners or any Member, as the context requires, has been party to a Disposition during the relevant period covered by such certificate, then such certificate shall state such fact and information and calculations with respect to Section 10.5 shall not be included in such certificate, (ii) if all outstanding Indebtedness of each Member (other than the Obligor and any Member Guarantor) as of the last day of the relevant period covered by such certificate is permitted under clauses (i) through (vi) of Section 10.6(a), then such certificate shall state such fact and information and calculations with respect to Section 10.6(a)(vii) need not be included in such certificate, and (iii) if all Liens on property and assets of the Obligor and any Member as of the last day of the relevant period covered by such certificate are permitted under clauses (i) through (vi) of Section 10.6(b), then such certificate shall state such fact and information and calculations with respect to Section 10.6(b)(vii) need not be included in such certificate; and

(b) Event of Default — a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the FOXTEL Group from the beginning of the interim or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence

during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Obligor or any Member to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Obligor shall have taken or proposes to take with respect thereto.

7.3. Visitation.

The Obligor and the Partners shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Obligor and/or the Partners (as applicable), to visit the principal executive office of the Obligor and each Partner, to discuss the affairs, finances and accounts of the Obligor, the Members and the Partners with the Obligor's and the Partners' officers and (with the consent of the Obligor, which consent will not be unreasonably withheld) the Obligor's independent public accountants, and (with the consent of the Obligor and the Partners, which consent will not be unreasonably withheld) to visit the other offices and properties of the Obligor, each Partner and each Member, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default — if a Default or Event of Default then exists, at the expense of the Obligor to visit and inspect any of the offices or properties of the Obligor, the Partners or any Member, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Obligor and the Partners authorize said accountants to discuss the affairs, finances and accounts of the Obligor, the Partners and the Members), all at such times and as often as may be requested.

7.4. Limitation on Disclosure Obligation.

Neither the Obligor nor any Partner shall be required to disclose the following information pursuant to Section 7.1(c), 7.1(f), 7.1(g) or 7.3:

(a) information that the Obligor or either Partner determines after consultation with counsel qualified to advise on such matters (which may be in-house counsel) that, notwithstanding the confidentiality requirements of Section 22, the Obligor or such Partner, as applicable, would be prohibited from disclosing by applicable law or regulations without making public disclosure thereof;

(b) information that the Obligor or either Partner determines after consultation with counsel qualified to advise on such matters (which may be in-house counsel) is legally privileged and the disclosure of which would waive such privilege to the detriment of the Obligor or either Partner; and

(c) information that, notwithstanding the confidentiality requirements of Section 22, the Obligor or either Partner is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Obligor or such Partner, as applicable, and not entered into in contemplation of this clause (c), provided that the Obligor and the Partners shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information and provided further that the Obligor or the applicable Partner, as the case may be, have received a written opinion of counsel (which may be in-house counsel) confirming that disclosure of such information without consent from such other contractual party would constitute a breach or would result in a substantial risk of breach of such agreement.

Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Obligor or the applicable Partner will provide such holder with a written opinion of counsel (which may be in-house counsel and which may be addressed to the Obligor or such Partner, as applicable) relied upon as to any requested information that the Obligor or the applicable Partner, as the case may be, is prohibited from disclosing to such holder under circumstances described in this Section 7.4.

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1. Maturity.

As provided therein, the entire unpaid principal balance of the Series D Notes, the Series E Notes, the Series F Notes and the Series G Notes shall be due and payable on July 25, 2019, July 25, 2022, July 25, 2024, and July 25, 2022, respectively.

8.2. Optional Prepayment with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.7), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Prepayment for Tax Reasons.

If at any time as a result of a Change in Tax Law (as defined below) the Company, the Guarantor or either Partner (assuming, in the case of the Guarantor or such Partner, that the Guarantor or such Partner, as applicable, is required to make a payment pursuant to Section 14) is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes, the Company may give the holders of all affected Notes irrevocable written notice (each, a “**Tax Prepayment Notice**”) of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Company, the Guarantor or either Partner to make any Additional Payments and the amount thereof and stating that all of the affected Notes shall be prepaid on the date of such prepayment at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment plus an amount equal to the Modified Make-Whole Amount for each such Note, except in the case of an affected Note if the holder of such Note shall, by written notice given to the Company no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such Note (each, a “**Rejection Notice**”). Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Modified Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to each Note covered thereby that execution and delivery thereof by the holder of such Note shall operate as a permanent waiver of such holder’s right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note (but not of such holder’s right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Note. The Tax Prepayment Notice having been given as aforesaid to each holder of the affected Notes, the principal amount of such Notes together with interest accrued thereon to the date of such prepayment plus the Modified Make-Whole Amount shall become due and payable on such prepayment date, except in the case of Notes the holders of which shall timely give a Rejection Notice as aforesaid. Two Business Days prior to such prepayment, the Company shall deliver to each holder of a Note being so prepaid a certificate of a Senior Financial Officer specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Obligor and the Partners to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

The Company may not offer to prepay or prepay Notes pursuant to this Section 8.3 (a) if a Default or Event of Default then exists, (b) until the Obligor or the Partners, as the case may be, shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (c) if the obligation to make such Additional Payments directly results or resulted from actions taken by any Transaction Party or any other Member (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

For purposes of this Section 8.3: “**Additional Payments**” means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a “**Change in Tax Law**” means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of Australia or any political subdivision thereof after the date of the Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of the Closing, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Obligor or either Partner, as the case may be (which shall be evidenced by an Officer’s Certificate of the Obligor or such Partner and supported by a written opinion of counsel having recognized expertise in the field of taxation in the Taxing Jurisdiction (which may be in-house counsel), both of which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law), affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

8.4. Prepayments in Connection with a Change of Control.

If a Change of Control shall occur, the Company shall within five days thereafter give written notice thereof (a “**Change of Control Prepayment Notice**”) to each holder of Notes, which notice shall (i) refer specifically to this Section 8.4 and describe in reasonable detail such Change of Control and (ii) offer to prepay on a Business Day not less than 30 days and not more than 60 days after the date of such Change of Control Prepayment Notice (the “**Change of Control Prepayment Date**”) the Notes of such holder, at 100% of the principal amount thereof, together with interest accrued thereon to the Change of Control Prepayment Date, and specify the Change of Control Response Date (as defined below). Each holder of a Note shall notify the Company of such holder’s acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on a date at least ten days prior to the Change of Control Prepayment Date (such date ten days prior to the Change of Control Prepayment Date being the “**Change of Control Response Date**”). The Company shall prepay on the Change of Control Prepayment Date all of the Notes held by each holder that has accepted

such offer in accordance with this Section 8.4 at a price in respect of each such Note held by such holder equal to 100% of the principal amount thereof, together with interest accrued thereon to the Change of Control Prepayment Date. The failure by a holder of any Note to respond to such offer in writing on or before the Change of Control Response Date shall be deemed to be a rejection of such offer.

8.5. Prepayments in Connection with Asset Dispositions.

If the Company is required to offer to prepay Notes in accordance with (and in the aggregate amount calculated pursuant to) Section 10.5(i), the Company will give prompt written notice thereof to the holders of all Notes then outstanding, which notice shall (i) refer specifically to this Section 8.5 and describe in reasonable detail the Disposition giving rise to such offer to prepay Notes, (ii) specify the principal amount of each Note held by such holder offered to be prepaid (if the Notes are offered to be prepaid in part, determined in accordance with Section 8.7, the “**Ratable Amount**”), (iii) specify a Business Day for such prepayment not less than 30 days and not more than 60 days after the date of such notice (the “**Disposition Prepayment Date**”) and specify the Disposition Response Date (as defined below) and (iv) offer to prepay on the Disposition Prepayment Date the outstanding principal amount of each Note (or, if the Notes are offered to be prepaid in part, the Ratable Amount of each Note), together with interest accrued thereon to the Disposition Prepayment Date (the “**Prepayment Amount**”). Each holder of a Note shall notify the Company of such holder’s acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on a date at least ten days prior to the Disposition Prepayment Date (such date ten days prior to the Disposition Prepayment Date being the “**Disposition Response Date**”). The Company shall prepay on the Disposition Prepayment Date the Prepayment Amount with respect to each Note held by the holders who have accepted such offer in accordance with this Section 8.5. The failure by a holder of any Note to respond to such offer in writing on or before the Disposition Response Date shall be deemed to be a rejection of such offer. If any holder of a Note rejects or is deemed to have rejected any offer of prepayment with respect to such Note in accordance with this Section 8.5, then, for purposes of determining compliance with Section 10.5(i), the Company nevertheless shall be deemed to have made a prepayment of Indebtedness in an amount equal to the Ratable Amount with respect to such Note.

8.6. Prepayment in Connection with a Noteholder Sanctions Violation.

Within five Business Days after the Company’s receipt of notice from any Affected Noteholder that a Noteholder Sanctions Violation has occurred with respect to such Affected Noteholder as a result of any OFAC Event, which notice shall (i) refer specifically to this Section 8.6 and describe in reasonable detail such Noteholder Sanctions Violation and such OFAC Event and (ii) be accompanied by an opinion of nationally recognized independent counsel in the appropriate jurisdiction to the effect that a Noteholder Sanctions Violation shall have occurred with respect to such Affected Noteholder, the Company shall by written notice (a “**Sanctions Prepayment Notice**”) deliver to such Affected Noteholder an offer to prepay on a Business Day not less than 30 days and not more than 60 days after the date of such Sanctions Prepayment Notice (the “**Sanctions Prepayment Date**”) the Notes of such Affected Noteholder, at 100% of the principal amount thereof, together with interest accrued thereon to the Sanctions

Prepayment Date, and specify the Sanctions Prepayment Response Date (as defined below). Such Affected Noteholder shall notify the Company of such Affected Noteholder's acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on a date at least ten Business Days prior to the Sanctions Prepayment Date (such date ten Business Days prior to the Sanctions Prepayment Date being the "**Sanctions Prepayment Response Date**"). If such Affected Noteholder has accepted the Company's prepayment offer in accordance with this Section 8.6, the Company shall prepay on the Sanctions Prepayment Date all of the Notes held by such holder at a price in respect of each such Note held by such holder equal to 100% of the principal amount thereof, together with interest accrued thereon to the Sanctions Prepayment Date. The failure by such Affected Noteholder to respond to such offer in writing on or before the Sanctions Prepayment Response Date shall be deemed to be a rejection of such offer.

No prepayment of any Note shall be permitted pursuant to this Section 8.6 as a result of any OFAC Event if (a) a Prohibited Subsequent Action shall have occurred with respect to such OFAC Event pursuant to Section 10.4 and (b) the Notes shall have been declared due and payable pursuant to Section 12.1 as a result thereof.

Promptly, and in any event within five Business Days, upon the Company's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Violation shall have occurred with respect to such Noteholder as a result of any OFAC Event, the Company shall forward a copy of such notice to each holder of Notes.

8.7. Allocation of Partial Prepayments and Offers of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.2 and in the case of each offer of partial prepayment of the Notes pursuant to Section 8.5 or clause (b) of the first sentence of Section 8.9, the Company shall prepay or offer to prepay, as the case may be, the same percentage of the unpaid principal amount of the Notes of each series, and the principal amount of the Notes of each series so to be prepaid or offered to be prepaid, as the case may be, shall be allocated among all of the Notes of such series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.8. Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date, and the applicable Make-Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.9. Purchase of Notes.

The Obligor will not, and the Obligor will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by the Obligor or any such Affiliate pro rata to the holders of all Notes at the time outstanding upon the same terms and conditions. Any such offer shall provide each holder of Notes with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 20 Business Days. If the holders of more than 50% of the principal amount of the Notes then outstanding accept such offer, the Company shall promptly notify the remaining holders of Notes of such fact and the expiration date for the acceptance by holders of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least 5 Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.10. Make-Whole Amount and Modified Make-Whole Amount.

(a) Make-Whole Amount and Modified Make-Whole Amount. The terms “**Make-Whole Amount**” and “**Modified Make-Whole Amount**” mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and the Modified Make-Whole Amount, the following terms have the following meanings:

“**Applicable Percentage**” in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3 means 1.00% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means 0.50% (50 basis points).

“**Called Principal**” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“**Discounted Value**” means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means:

(I) with respect to the Called Principal of any U.S. Dollar Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued, actively traded, on the run U.S. Treasury securities having a maturity equal to the remaining term of such U.S. Dollar Note as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the remaining term of such U.S. Dollar Note as of such Settlement Date. In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding sentence, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the maturity closest to and greater than the remaining term of such U.S. Dollar Note and (2) the actively traded U.S. Treasury security with the maturity closest to and less than the remaining term of such U.S. Dollar Note; and

(II) with respect to the Called Principal of any Series G Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the yields reported, as of 10:00 A.M. (Sydney, Australia time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PXAU” on Bloomberg Financial Markets (or such other display as may replace “Page PXAU” on Bloomberg Financial Markets) for actively traded Australian Commonwealth government securities having a maturity equal to the remaining term of such Series G Note as of such Settlement Date (such implied yield will be determined, if necessary, by (A) converting bill quotations to bond-equivalent yields in accordance with accepted financial practice and (B) interpolating linearly between (1) the actively traded Australian Commonwealth government security with the maturity closest to and greater than the remaining term of such Series G Note and (2) the actively traded Australian Commonwealth government security with the maturity closest to and less than the remaining term of such Series G Note).

The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, 8.3 or 12.1.

“**Settlement Date**” means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

(b) Make-Whole Amount and Modified Make-Whole Amount Currency of Payment. All payments of any Make-Whole Amount and Modified Make-Whole Amount in respect of (i) any U.S. Dollar Note shall be made in U.S. Dollars and (ii) any Series G Note shall be made in Australian Dollars.

9. AFFIRMATIVE COVENANTS.

The Obligor covenants as set forth below and each Partner covenants in respect of itself as set forth in Section 9.2 below, that so long as any of the Notes are outstanding:

9.1. Compliance with Law.

Without limiting Section 10.4, the Obligor will, and will cause each Member to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including without limitation (but only to the extent applicable thereto), ERISA, the USA PATRIOT Act, Environmental Laws and AML / Anti-Terrorism Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. Insurance.

The Obligor and each Partner will, and the Obligor will cause each Member to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. Maintenance of Properties.

The Obligor will, and will cause each Member to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Obligor or any Member from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Obligor has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4. Payment of Taxes.

The Obligor will, and will cause each Member to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Obligor or any Member, provided that neither the Obligor nor any Member need file any such return nor pay any such tax, assessment, charge or levy if (i) the amount, applicability or validity thereof is contested by the Obligor or such Member on a timely basis in good faith and in appropriate proceedings, and the Obligor or such Member has established adequate reserves therefor in accordance with Relevant GAAP on the books of the Obligor or such Member or (ii) the failure to file all such returns or the nonpayment of all such taxes, assessments, charges and levies in the aggregate could not reasonably be expected to have a Material Adverse Effect.

9.5. Corporate Existence, Etc.

Subject to Section 10.2, the Obligor will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.2 and 10.5, the Obligor will at all times preserve and keep in full force and effect the corporate or other organizational existence of each Member (unless merged into the Obligor or a Wholly-Owned Subsidiary) and all rights and franchises of the Obligor and each Member unless, in the good faith judgment of the Obligor, the termination of or failure to preserve and keep in full force and effect such corporate or other organizational existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

9.6. Books and Records.

The Obligor will, and will cause each Reporting Member to, maintain proper books of record and account in conformity with Relevant GAAP and all applicable material requirements of any Governmental Authority having legal or regulatory jurisdiction over the Obligor or such Reporting Member, as the case may be.

9.7. Priority of Obligations.

The Obligor and each Partner will ensure that its payment obligations under the Finance Documents to which it is a party will at all times rank at least *pari passu* in right of payment, without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Obligor or such Partner, as the case may be.

9.8. Member Guarantees; Release.

(a) The Obligor will ensure that each Member that has outstanding a Guaranty with respect to any Facility Agreement or the 2009 Note Agreement (or is otherwise a co-obligor or jointly liable with respect to any Indebtedness outstanding under any Facility Agreement or the 2009 Note Agreement) will, within 30 days thereafter, become a Member Guarantor.

(b) The Obligor will cause each Member required to become a Member Guarantor after the date of the Closing to execute and deliver a Member Guarantee to each holder of Notes and provide the following to each holder of Notes:

(i) a certificate signed by a director or an appropriate officer of such Member confirming that such Member is, and after giving the Member Guarantee will be, solvent and able to pay all of its debts as and when they become due and payable; and

(ii) an opinion in form and substance reasonably satisfactory to the Required Holders from legal counsel to such Member in the appropriate jurisdiction(s) confirming that (A) such Member Guarantee shall have been duly authorized and executed and (B) such Member Guarantee is enforceable in accordance with its terms (subject to any usual and customary exceptions) and covering such other matters incidental thereto as may be reasonably requested by the Required Holders.

(c) Notwithstanding anything in this Agreement or in any Member Guarantee to the contrary, upon notice by the Obligor to each holder of a Note (which notice shall contain a certification by the Obligor as to the matters specified in clauses (i) and (ii) below), any Member Guarantor specified in such notice shall cease to be a Member Guarantor and shall be automatically released from its obligations under its Member Guarantee as of the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any holder of a Note or any other Person if, as at the date of such notice, after giving effect to such release (i) no Default or Event of Default shall have occurred and be continuing and (ii) the Obligor shall be in compliance with clause (a) above. If the Obligor or any Member shall pay any fee or other compensation to any Person party to any Facility Agreement or the 2009 Note Agreement as an inducement to such Person to release any Member from a Guaranty or as a co-obligor or from being jointly liable, in each case, under such Facility Agreement or the 2009 Note Agreement and notification is subsequently given by the Obligor of the release of such Member from its Member Guarantee pursuant to this Section 9.8(c), such release shall not become effective until the Obligor shall have paid the same level of fee or other compensation to each holder of Notes (whether a flat fee or flat compensation or based on a percentage or other metric of outstanding obligations).

9.9. Intellectual Property.

The Obligor will, and will cause each Member Guarantor to, (i) own or have the right and license to use the Intellectual Property and (ii) maintain, preserve and protect the Intellectual Property, except for a failure to own, license, maintain, preserve or protect such Intellectual Property that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.10. Rating.

The Obligor will maintain at all times a credit rating with respect to the Notes from Fitch, Moody's or S&P.

9.11. Most Favored Lender Status.

(a) Subject to the following clause (b), if at any time (i) any Facility Agreement or (ii) the 2009 USPP Note Agreement (each, a "**Reference Agreement**") includes provisions requiring compliance with a financial ratio (however expressed, including without limitation as a covenant, as an event of default, as a review event or as a mandatory prepayment provision), in any event that is not otherwise included in this Agreement on a materially equivalent basis or that would be more beneficial to the holders of Notes than the relevant similar covenant or like provisions contained in this Agreement (any such provision, an "**Additional Covenant**"), then the Obligor shall within 30 days thereafter provide notice thereof to the holders of Notes, which notice shall refer specifically to this Section 9.11 and describe in reasonable detail any Additional Covenants. Unless waived in writing by the Required Holders within five Business Days of the holders' receipt of such notice, each Additional Covenant set forth in such notice shall be deemed incorporated by reference into this Agreement, *mutatis mutandis*, as if set forth fully herein effective as of the date when such Additional Covenants became effective under the applicable Reference Agreement.

(b) Provided that no Default or Event of Default shall have occurred and be continuing, any Additional Covenant shall be deemed automatically (x) amended, waived or otherwise modified in this Agreement at such time as each holder of Notes shall have received notice in writing from the Obligor certifying that such Additional Covenant shall have been so amended, waived or otherwise modified under the applicable Reference Agreement (including, without limitation, as a result of the application of any provision contained therein with respect to changes in accounting principles) and (y) deleted from this Agreement at such time as each holder of Notes shall have received notice in writing from the Obligor certifying that such Additional Covenant shall have been deleted from the applicable Reference Agreement, or that the applicable Reference Agreement shall have been terminated and that no amounts are outstanding thereunder. If the Obligor or any Member shall pay any fee or other compensation to any Person party to the applicable Reference Agreement as an inducement to receiving any amendment, waiver, modification, deletion or termination that is the subject of any notice set forth in the foregoing clause (x) or (y), such amendment, waiver, modification, deletion or termination shall not become effective under this Agreement until the Obligor shall have paid the same level of fee or other compensation to each holder of Notes (whether a flat fee or flat compensation or based on a percentage or other metric of outstanding obligations or otherwise).

(c) Notwithstanding anything set forth in this Section 9.11, no covenant (however expressed) contained in this Agreement as of the date of this Agreement shall be deemed deleted from this Agreement or made less restrictive than the level set with respect to such covenant (however expressed) as of such date, unless amended or otherwise modified in accordance with Section 19.

(d) Upon the request by the Obligor or any holder of a Note, the Obligor and the holders of Notes shall enter into an additional agreement or an amendment to this Agreement (as agreed between the Obligor and the Required Holders working in good faith) evidencing any of the foregoing.

10. NEGATIVE COVENANTS.

The Obligor covenants as set forth below and each Partner covenants in respect of itself as set forth in Sections 10.4, 10.5 and 10.6(b) below, that so long as any of the Notes are outstanding:

10.1. Transactions with Affiliates.

The Obligor will not, and will not permit any Member Guarantor to, enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Obligor or any Member Guarantor), except pursuant to the reasonable requirements of the Obligor's or the applicable Member Guarantor's business, as the case may be, and upon fair and reasonable terms no less favorable to the Obligor or such Member Guarantor than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2. Merger, Consolidation, Etc.

The Obligor will not, nor will the Obligor permit any Member to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person unless:

(a) in the case of any such transaction involving the Obligor, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Obligor, as the case may be, shall be a solvent corporation, partnership or limited liability company organized and existing under the laws of Australia, New Zealand or the United States or any State or political subdivision of any thereof (including in the case of the United States, the District of Columbia) or any other Permitted Jurisdiction, and, if the Obligor is not such corporation, partnership or limited liability company, such corporation, partnership or limited liability company shall have (i) executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement (in the capacity of both the Company and the Guarantor) and the Notes (in the capacity of the Company), (ii) such corporation, partnership or limited liability company shall have caused to be delivered to each holder of any Notes an opinion of internationally recognized independent counsel in the appropriate jurisdiction(s), or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such

assumption are enforceable in accordance with their terms and comply with the terms hereof and (iii) each holder of any Notes shall have received an unconditional affirmation by each Member Guarantor of its obligations under its Member Guarantee and by the Partners of their guarantees set forth herein;

(b) in the case of any such transaction involving a Member Guarantor, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such Member Guarantor, as the case may be, shall be (1) either Obligor, such Member Guarantor or another Member Guarantor, (2) a solvent corporation, partnership or limited liability company that is organized and existing under the laws of Australia, New Zealand or the United States or any State or political subdivision of any thereof (including in the case of the United States, the District of Columbia) or any other Permitted Jurisdiction or the jurisdiction of organization of such Member Guarantor and, if such Member Guarantor, the Obligor or another Member Guarantor is not such corporation, partnership or limited liability company, (i) such corporation, partnership or limited liability company shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Member Guarantee of such Member Guarantor and (ii) the Obligor shall have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel in the appropriate jurisdiction(s), or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof or (3) any other Person so long as the transaction is treated as a Disposition of all of the assets of such Member Guarantor for purposes of Section 10.5 and, based on such characterization, would be permitted pursuant to Section 10.5;

(c) in the case of any such transaction involving a Member (other than the Obligor and any Member Guarantor), the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such Member, as the case may be, shall be (i) such Member, the Obligor or any other Member or (ii) any other Person so long as the transaction is treated as a Disposition of all of the assets of such Member for purposes of Section 10.5 and, based on such characterization, would be permitted pursuant to Section 10.5; and

(d) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

No such conveyance, transfer or lease of substantially all of the assets of the Obligor or any Member Guarantor shall have the effect of releasing the Obligor or such Member Guarantor, as the case may be, or any successor corporation, partnership or limited liability company that shall theretofore have become such in the manner prescribed in this Section 10.2, from its liability under (x) this Agreement or the Notes (in the case of the Obligor) or (y) the applicable Member Guarantee (in the case of a Member Guarantor). To the extent that Section 8.4 would otherwise be applicable with respect to any transaction involving the FOXTEL Group, compliance by the Obligor with the provisions of this Section 10.2 shall not be deemed to excuse compliance with or otherwise prejudice Section 8.4.

10.3. Line of Business.

The Obligor will not, and will not permit any Member Guarantor to, engage in any business if, as a result, the general nature of the business in which the FOXTEL Group, taken as a whole, would then be engaged would be substantially changed from the general nature of the Business.

10.4. Terrorism Sanctions Regulations.

The Obligor and the Partners will not, and will not permit any Member to, (a) become a Blocked Person or (b) have any investments in, or engage in any dealings or transactions with, any Blocked Person where such investments, dealings, or transactions would result in either (i) the Obligor, any Partner or any Member or any Subsidiary of the Obligor, any Partner or any Member, being in violation of any applicable law, except to the extent such violation could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (ii) any holder of a Note (an “**Affected Noteholder**”) being in violation of any laws or regulations administered or enforced by OFAC (any such violation described in this clause (ii), a “**Noteholder Sanctions Violation**”); provided that, a breach of clause (b)(ii) of this Section 10.4 as a result of any OFAC Event shall only occur with respect to any Noteholder Sanctions Violation if (A) the Noteholder Sanctions Violation directly resulted from actions taken by either Obligor or any Member after the occurrence of such OFAC Event (“**Prohibited Subsequent Actions**”) or (B) no Prohibited Subsequent Actions have occurred and (1) the Affected Noteholder with respect to such Noteholder Sanctions Violation has provided the Company with written notice of such Noteholder Sanctions Violation and such other information contemplated by Section 8.6 with respect thereto and (2) the Company shall have failed to comply with Section 8.6 with respect to such Noteholder Sanctions Violation.

10.5. Sale of Assets.

The Obligor and the Partners will not, and the Obligor will not permit any Member to, sell, transfer, or otherwise dispose (collectively, a “**Disposition**”) of any of their properties or assets (excluding, in the case of any Partner, any such property or assets that do not constitute Partnership Property of such Partner), except:

- (a) Dispositions constituting the creation of a Lien not prohibited under Section 10.6(b);
- (b) Dispositions pursuant to Section 10.2 (excluding Sections 10.2(b)(3) and 10.2(c)(ii));
- (c) Dispositions to the Obligor or any Member;
- (d) Dispositions in the ordinary course of day to day trading at arm’s length;

(e) Dispositions of property or assets in exchange for other properties or assets of comparable value and utility or where the proceeds of such Disposition are, within 90 days, used to acquire other properties or assets of comparable value for use in relation to the Business;

(f) Dispositions of worn out, obsolete or redundant property or assets;

(g) Dispositions on arm's length terms of property or assets not required for the efficient operation of the Business;

(h) Dispositions by a Partner of any of its interest in the FOXTEL Partnership or the FOXTEL Television Partnership provided that such Disposition does not constitute a Change of Control; and

(i) other Dispositions, provided that any such Disposition is for fair market value and (i) the aggregate book value of the properties and assets subject to all such Dispositions pursuant to this clause (i) during any fiscal year of the FOXTEL Group does not exceed 10% of Total Assets as at the end of the immediately preceding fiscal year of the FOXTEL Group (the "**Disposition Cap**") or (ii) within 365 days after any such Disposition or portion thereof that would cause the Disposition Cap to be exceeded, the net after-tax proceeds of such Disposition (or relevant portion thereof, as the case may be) are used to (x) purchase productive assets for use by the Obligor or any Member Guarantor in the Business or (y) repay or prepay any unsubordinated Indebtedness of the Obligor or any Member Guarantor or any Indebtedness of any Member that is not a Member Guarantor (other than Indebtedness owing to the Obligor, a Member or a Partner); provided that, the Obligor has, on or prior to the application of any net after-tax proceeds to the repayment or prepayment of any Indebtedness pursuant to the foregoing clause (y), (1) offered to prepay the Notes with such net after-tax proceeds (in whole or, if the aggregate outstanding principal amount of the Notes at such time exceeds such net-after tax proceeds, in part) in accordance with Section 8.5 or (2) offered to prepay the Notes *pro rata* with all such Indebtedness in accordance with Section 8.5, whereby the aggregate principal amount of the Notes subject to such offer of prepayment shall be equal to the product of (A) the net after-tax proceeds being so applied and (B) a fraction, the numerator of which is the aggregate outstanding principal amount of the Notes at such time and the denominator of which is the aggregate outstanding principal amount of Indebtedness (including the Notes) receiving any repayment or prepayment (or offer thereof) pursuant to the foregoing clause (y); and provided further, that for purposes of this Section 10.5, "**net after-tax proceeds**" shall mean the gross proceeds from such Disposition net of any taxes, costs and expenses associated therewith.

Any Disposition of shares of stock of any Member shall, for purposes of this Section 10.5, be valued at an amount that bears the same proportion to the total assets of such Member as the number of such shares bears to the total number of shares of stock of such Member.

10.6. Member Indebtedness; Liens.

(a) The Obligor will not permit any Member (other than the Obligor) to create, assume, incur or guaranty or otherwise be or become liable in respect of any Indebtedness, other than:

(i) Indebtedness existing on the date of the Closing to the extent such Indebtedness is set forth in Schedule 5.15;

(ii) Indebtedness secured by Liens of any Member permitted pursuant to Section 10.6(b)(v) or, to the extent applicable to a Lien incurred pursuant to Section 10.6(b)(v), Section 10.6(b)(vi));

(iii) Indebtedness of any Member Guarantor;

(iv) Indebtedness owing to the Obligor or to any other Member;

(v) Indebtedness of each Person that becomes a Member or that merges into or consolidates with the Obligor or any Member, and which Indebtedness (x) was outstanding on the date that such Person so becomes a Member or merges into or consolidates with either Obligor or any Member and (y) was not incurred in contemplation of such Person becoming a Member or merging into or consolidating with the Obligor or any Member;

(vi) any extension, renewal or refunding of any Indebtedness permitted pursuant to clause (a)(i), (ii) or (v) above, provided that the principal amount of such Indebtedness is not increased; and

(vii) Indebtedness incurred by any Member in addition to Indebtedness described in clauses (a)(i) through (vi) above, provided that immediately after giving effect thereto the sum (without duplication) of (i) the aggregate outstanding principal amount of all Indebtedness of all Members incurred pursuant to this clause (a)(vii) plus (ii) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to Section 10.6(b)(vii), shall not exceed 10% of Total Assets at such time.

(b) The Obligor and the Partners will not, and the Obligor will not permit any Member to, create, permit or suffer to exist any Lien over all or any property or assets (excluding, in the case of any Partner, any such property or assets that do not constitute Partnership Property of such Partner), whether now owned or hereafter acquired, of the Obligor, either Partner or any Member, except for:

(i) Liens existing on the date of the Closing to the extent such Liens are set forth in Schedule 5.15;

(ii) Liens of any Member (other than the Obligor or any Member Guarantor) in favor of the Obligor or any other Member and Liens of the Obligor or any Member Guarantor in favor of the Obligor or any Member Guarantor;

(iii) Liens arising by operation of law in the ordinary course of its ordinary business securing (A) an obligation that is not yet due or (B) if due but unpaid, Indebtedness which is being contested in good faith;

(iv) Liens in relation to retention of title arrangements entered into in the ordinary course of its business for a period of not more than 120 days;

(v) Liens (A) on property or assets acquired, constructed or improved by the Obligor or any Member after the date of Closing, or in rights relating to such property or assets, which Liens are created at the time of acquisition or completion of construction or improvement of such property or assets within 365 days thereafter, to secure Indebtedness assumed or incurred to finance all or any part of the purchase price of the acquisition or cost of construction or improvement of such property or assets, (B) on property or assets at the time of the acquisition thereof by the Obligor or any Member (and not incurred in anticipation thereof), and (C) on property or assets of a Person at the time that such Person becomes a Member, or the Obligor or any Member acquires or leases the properties or assets of such Person as an entirety or substantially as an entirety, or such Person merges into or consolidates with the Obligor or any Member (and in each case not incurred in anticipation thereof), provided that (x) in the case of the foregoing clause (A), the aggregate principal amount of Indebtedness secured by any such Lien in respect of any such property or assets shall not exceed the lower of the cost and the fair market value of such property (or rights relating thereto) and (y) in the case of the foregoing clauses (A), (B) and (C), no such Lien shall extend to or cover any other property or assets of the Obligor or any Member;

(vi) Liens incurred in connection with any extension, renewal, refinancing, replacement or refunding of any Liens (or related Indebtedness) permitted pursuant to clause (b)(i) or (v) above, provided that (A) the principal amount of Indebtedness secured thereby immediately before giving effect to such extension, renewal, refinancing, replacement or refunding is not increased and (B) such Lien is not extended to any other property of the Obligor or any Member; and

(vii) Liens securing Indebtedness of the Obligor or any Member in addition to those described in clauses (b)(i) through (vi) above, provided that (x) immediately after giving effect thereto the sum (without duplication) of (1) the aggregate outstanding principal amount of all Indebtedness of the Obligor and Members secured by Liens pursuant to this clause (b)(vii) plus (2) the aggregate outstanding principal amount of all Indebtedness of all Members incurred pursuant to Section 10.6(a)(vii) above, shall not exceed 10% of Total Assets at such time and (y) in no event shall the Obligor or any Member create, permit or suffer to exist any Lien securing any Indebtedness under any Facility Agreement pursuant to this clause (b)(vii).

10.7. Interest Cover Ratio.

The Obligor will not permit as of the last day of any fiscal quarter of the FOXTEL Group the ratio of (a) EBITDA to (b) Interest Service, in each case for the twelve month period ending on such day, to be less than 3.50:1.

10.8. Total Debt to EBITDA Ratio.

The Obligor will not permit as of the last day of any fiscal quarter of the FOXTEL Group the ratio of (a) Total Debt on such day to (b) EBITDA for the twelve month period ending on such day, to be greater than 3.75:1; provided, that, for the purposes of this Section 10.8, if any Obligor or other Member acquires or disposes of any entity or business during any twelve month period ending on the last day of any fiscal quarter of the FOXTEL Group, EBITDA for such period shall be determined on a pro forma basis assuming that such acquisition or disposal had occurred as of the first day of such period.

10.9. Distributions.

The Obligor and the Partners (other than a Partner in respect of assets or funds unrelated to the Partnership Property) will not, and the Obligor will not permit any Member Guarantor to, make any Distribution (including in respect of Subordinated Debt) at any time if a Default or an Event of Default is continuing at such time or would result from such Distribution.

11. EVENTS OF DEFAULT.

An “**Event of Default**” shall exist if any of the following conditions or events shall occur and be continuing:

(a) default shall be made in the payment of any principal or Make-Whole Amount or Modified Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) default shall be made in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) default shall be made by the Obligor or either Partner in the performance of or compliance with any term contained in Section 7.1(d) or Sections 10.5 through 10.9, inclusive, or any Additional Covenant; or

(d) default shall be made by the Obligor or either Partner in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Obligor or either Partner receiving written notice of such default from any holder of a Note (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf of any Transaction Party or by any officer of Transaction Party in any Finance Document or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) any Transaction Party or any Member is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) any Transaction Party or any Member is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than (A) the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests or (B) as a result of a Change of Control or any Disposition requiring any purchase or repayment of Indebtedness (or offer therefor) pursuant to Section 8.4 or 8.5, provided that the Obligor is in compliance with the provisions of Section 8.4 or 8.5, as the case may be), (x) any Transaction Party or any Member has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment), or (y) one or more Persons have the right to require any Transaction Party or any Member so to purchase or repay such Indebtedness; or

(g) any Transaction Party (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, (iii) makes an assignment for the benefit of its creditors as a whole in connection with any bankruptcy, insolvency or reorganization, (iv) consents to the appointment of a custodian, receiver, controller, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, (v) is adjudicated as insolvent or to be liquidated or (vi) takes corporate or other organizational action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by any Transaction Party, a custodian, receiver, controller, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any Transaction Party, other than for the purpose of a reconstruction, amalgamation, merger or consolidation while solvent, or any such petition shall be filed against any Transaction Party and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to any Transaction Party which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or (h), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or (h); or

(j) a final judgment or judgments for the payment of money aggregating in excess of A\$25,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of any Transaction Parties and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(k) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Obligor or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the sum of (x) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, plus (y) the amount (if any) by which the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, shall exceed A\$25,000,000, (iv) the Obligor or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Obligor or any ERISA Affiliate withdraws from any Multiemployer Plan, (vi) the Obligor or any Member establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Obligor or such Member thereunder, (vii) the Obligor or any Member fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up or (viii) the Obligor or any Member becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (viii) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect; or

(l) (i) all or any material part of the property of the FOXTEL Group is compulsorily acquired by, or by order of, a Governmental Authority or under law, (ii) a Governmental Authority orders the sale, vesting or divesting of all or any material part of the property of the FOXTEL Group or (iii) a Governmental Authority takes any action for the purpose of any of the foregoing, in each case where the value of the property concerned exceeds A\$25,000,000;

(m) any Person incurring Subordinated Debt breaches any material representation, warranty or undertaking given by it under its Subordination Deed; or

(n) any Member Guarantee shall cease to be in full force and effect or any Member Guarantor or any Person acting on behalf of any Member Guarantor shall contest in any manner the validity, binding nature or enforceability of any Member Guarantee or the Guarantor or any Partner shall contest in any manner the validity, binding nature or enforceability of its guarantee herein.

As used in Section 11(k), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA.

12. REMEDIES ON DEFAULT, ETC.

12.1. Acceleration.

(a) If an Event of Default with respect to any Transaction Party described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, without limitation, interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law) shall all be immediately due and payable, in each and every case without presentment, demand,

protest or further notice, all of which are hereby waived. The Obligor and each Partner acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any other Finance Document, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c) (but prior to enforcement being undertaken under any Finance Document), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount or Modified Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) no Transaction Party nor any other Person shall have paid any amounts that have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 19, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof or by any other Finance Document shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Obligor under Section 17, the Obligor will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. TAX INDEMNIFICATION.

All payments whatsoever under the Finance Documents to which the Obligor or either Partner is a party will be made by the Obligor or such Partner, as the case may be, in lawful currency of the United States of America (in the case of payments in respect of the U.S. Dollar Notes) or Australia (in the case of payments in respect of the Series G Notes) free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States, Canada (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Canada), Japan (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Japan) or Australia (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Australia) (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a “**Taxing Jurisdiction**”), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Obligor or either Partner under any Finance Document to which it is a party, the Obligor or such Partner, as the case may be, will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the relevant Finance Document after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of the relevant Finance Document before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Excluded Tax;

(b) with respect to a holder of any Note, any Tax that would not have been imposed but for any breach by such holder of any representation made or deemed to have been made by such holder pursuant to Section 6.3(a), 6.3(c) or 6.3(d);

(c) any Tax that would not have been imposed had any holder of a Note that is an Australian tax resident or holds the Note in connection with a permanent establishment in Australia provided the Company with:

(i) its Australian business number; or

(ii) its Australian tax file number or evidence of an exemption from providing an Australian tax file number;

(d) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the

Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note (with the benefit of the guarantees of the Guarantor and the Partners hereunder) or the receipt of payments thereunder or in respect thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Obligor or either Partner, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of any Finance Documents are made to, the Taxing Jurisdiction imposing the relevant Tax;

(e) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Obligor or either Partner) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (e) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Obligor or either Partner no later than 45 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(f) any combination of clauses (a), (b), (c), (d) and (e) above;

and provided further that in no event shall the Obligor or either Partner be obligated to pay such additional amounts to any holder of a Note (i) not resident in the United States of America, Canada, Japan, Australia or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that the Obligor or such Partner would be obligated to pay if such holder had been a resident of the United States of America, Canada, Japan, Australia or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America, Canada, Japan, Australia or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Obligor or such Partner shall have given timely notice of such law or interpretation to such holder.

By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (e) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Obligor or either Partner all such forms, certificates, documents and returns provided to such holder by the Obligor or such Partner (collectively, together with instructions for completing the same, “**Forms**”) required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide the Obligor or either Partner with such information with respect to such holder as the Obligor or such Partner may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Obligor or the relevant Partner or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of the Obligor or either Partner (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

On or before the date of the Closing the Obligor will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in the relevant Taxing Jurisdiction pursuant to clause (e) of the second paragraph of this Section 13, if any, and in connection with the transfer of any Note, the Obligor will furnish the transferee of such Note with copies of any Form and English translation then required.

If any payment is made by the Obligor or either Partner to or for the account of the holder of any Note after deduction for or on account of any Taxes, and additional amounts are paid by the Obligor or such Partner pursuant to this Section 13, then, if such holder has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Obligor or such Partner such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (e) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Obligor or the relevant Partner will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Obligor or such Partner of any Tax in respect of any amounts paid under any Finance Document the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Obligor or such Partner, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If the Obligor or either Partner is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Obligor or such Partner would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Obligor or such Partner will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Obligor or such Partner) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Obligor or either Partner makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Obligor or such Partner (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Obligor or such Partner, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Obligor and the Partners under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

14. GUARANTOR AND PARTNER GUARANTEE, LIMITED RECOURSE, CONSENTS, ETC.

14.1. Guarantee.

The Guarantor and each Partner hereby guarantees to each holder of any Note or Notes at any time outstanding (a) the prompt payment in full, in U.S. Dollars, in the case of U.S. Dollar Notes, or Australian Dollars, in the case of the Series G Notes, when due (whether at stated maturity, by acceleration, by mandatory or optional prepayment or otherwise) of the principal of, Make-Whole Amount and Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount and Modified Make-Whole Amount, if any, and, to the extent permitted by applicable law, on any overdue interest and on payment of additional amounts described in Section 13) and all other amounts from time to time owing by the Company under this Agreement and the Notes (including, without limitation, costs, expenses and taxes in accordance with the terms hereof), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed hereunder, in each case strictly in accordance with the terms thereof (such payments and other obligations being herein collectively called the “**Guaranteed Obligations**”). The Guarantor and each Partner hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, the

Guarantor and such Partner will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by mandatory or optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to the holder of any Note such amounts, to the extent lawful, as shall be sufficient to pay the costs and expenses of collection or of otherwise enforcing any of such holder's rights under this Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Guarantor and the Partners under Sections 14.1 and 14.2 shall survive the transfer of any Note, and any obligations of the Guarantor and the Partners under Sections 14.1 and 14.2 with respect to which the underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive payment of such Note.

14.2. Obligations Unconditional.

(a) The obligations of the Guarantor and each Partner under Section 14.1 constitute a present and continuing guaranty of payment and not collectibility and are absolute, unconditional and irrevocable, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under this Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any Guaranty or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 14.2 that the obligations of the Guarantor and each Partner hereunder shall be absolute, unconditional and irrevocable under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantor and each Partner hereunder which shall remain absolute, unconditional and irrevocable as described above:

(1) any amendment or modification of any provision of this Agreement (other than Section 14.1 or 14.2), any Member Guarantee or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security or any additional guarantee or any release of any security or guarantee so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of this Agreement, the Notes or any Member Guarantee, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, this Agreement, the Notes or any other agreement;

(5) any transfer of any assets to or from the Company, including without limitation any transfer or purported transfer to the Company from any Person, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company with or into any Person, any change in the ownership of any shares of capital stock of the Company, or any change whatsoever in the objects, capital structure, constitution or business of the Company;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or any other Person of, any term of this Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, the Company or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of this Agreement, the Notes or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or any trustee or agent thereof, and other person providing a Guaranty of, or security for, any of the Guaranteed Obligations; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The Guarantor and each Partner hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any holder of a Note exhaust any right, power or remedy against the Company under this Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Person under any other Guaranty of, or security for, any of the Guaranteed Obligations.

(c) In the event that the Guarantor or either Partner shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, the Guarantor or such Partner, as applicable, shall not exercise any subrogation or other rights hereunder or under the Notes and the Guarantor or such Partner, as applicable, hereby waives all rights it may have to exercise any such subrogation or other rights, and

all other remedies that it may have against the Company, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. Prior to the payment in full of the Guaranteed Obligations, if any amount shall be paid to the Guarantor or either Partner, as applicable, on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the holders of the Notes and shall forthwith be paid to such holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. The Guarantor and each Partner agrees that its obligations under this Section 14 shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any holder of a Note, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

(d) If an event permitting the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person (other than the Guarantor or either Partner as to itself) of a case or proceeding under a bankruptcy or insolvency law, the Guarantor and each Partner agrees that, for purposes of the guarantee in this Section 14 and the Guarantor's and each Partner's obligations under this Agreement, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the holders of the Notes had accelerated the same in accordance with the terms of this Agreement, and the Guarantor and each Partner shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amounts and any other amounts guaranteed hereunder without further notice or demand.

(e) The guarantee in Sections 14.1 and 14.2 is a continuing guarantee and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs.

14.3. Limited Recourse to the Partners.

(a) Notwithstanding Sections 14.1 and 14.2 above and any other provisions of the Finance Documents (other than Section 14.3(d) below) the obligation of each Partner to pay any amount under any Finance Document (whether present, future or prospective) is limited to the extent that the amount can be satisfied out of its Partnership Property.

(b) Each party irrevocably and unconditionally releases all claims it may have against either Partner under or in connection with the Finance Documents except to the extent that such Partner is liable under Section 14.3(a).

(c) No party shall have any claim against or recourse to the directors, officers or employees of either Partner, by operation of law or otherwise. Such recourse is irrevocably waived.

(d) Nothing in Section 14.3(a) or 14.3(c) limits the liability of either Partner in respect of any loss, cost or expense suffered or incurred by any holder of a Note as a result of:

(i) the fraud or willful default of such Partner or any of its directors, officers or employees under or in connection with the Finance Documents; provided, that, the failure of any Partner to comply with an obligation to pay its Obligations under the Finance Documents will not in itself constitute fraud or willful default of such Partner;

(ii) any breach of an undertaking given by such Partner in:

(A) Sections 10.4, 10.5 or 10.6(b) of this Agreement; or

(B) any Subordination Deed to which such Partner is individually expressed to be a party; or

(iii) the incorrectness or untruthfulness of any warranty or representation given by such Partner in:

(A) Sections 5.1, 5.2, 5.6, 5.10, 5.22, 5.23 or clause (i) of Section 5.21; or

(B) any Subordination Deed to which such Partner is individually expressed to be a party.

(e) Except to the extent that either Partner is liable under Section 14.3(d), a party may satisfy its rights against such Partner arising from non payment of its Obligations only to the extent that such rights can be satisfied from such Partner's Partnership Property and no party may, in connection with such Obligations:

(i) take any action against such Partner, its directors, officers or employees personally to recover any part of its Obligations which cannot be satisfied out of the Partnership Property of such Partner or obtain a judgment for the payment of money or damages by such Partner, its directors, officers or employees;

(ii) issue any demand under section 459E(1) of the Corporations Act (or any analogous provision under any other law) against such Partner;

(iii) apply for or prove in (except to the extent that such Partner is liable under Section 14.3(a)) the winding up of such Partner;

(iv) levy execution or take any action against any asset of such Partner (other than the Partnership Property of such Partner) to recover any of its Obligations; or

(v) apply for the appointment of a receiver to any of the assets of such Partner (other than the Partnership Property of such Partner); or

(vi) take any proceedings for any of the above and each party waives its rights in respect of those actions, applications and proceedings.

(f) Despite anything in, or in connection with, the Finance Documents, each party hereto agrees that (i) claims under or in connection with the Finance Documents are not claims to which the Telstra Deed of Cross Guarantee applies in any way, and (ii) it may not claim or attempt to claim to have any rights under, or make any claim or seek to enforce any rights, in connection with the Telstra Deed of Cross Guarantee.

(g) For the avoidance of doubt, nothing in this Section 14.3 prevents or limits any party from obtaining a declaration concerning any of the Finance Documents, an injunction or other order restraining any breach of a Finance Document or otherwise in relation to the Partnership Property of a Partner. This clause operates as a release and a covenant not to sue and may be pleaded in bar to any action brought in breach of it.

(h) No party in the exercise of any right, power, authority, discretion or remedy conferred on it by any Finance Document or any applicable law, including any voting rights under the Finance Documents, nor any other Person appointed by any party under the Finance Documents (an “**Administrator**”) has the power or authority to incur obligations binding on a Partner other than obligations the extent and enforcement of which are limited in the same manner as the extent and enforcement of a Partner’s obligations under the Finance Documents are limited by this Section 14.3.

(i) No party may appoint any Administrator with the power or authority to incur obligations binding on a Partner unless (i) the authority of such Administrator is limited in accordance with this Section 14.3, and (ii) such Administrator executes an agreement acknowledging the limitation.

(j) This Section 14.3 shall apply despite any other provision in any document or any other thing and, in the event of any inconsistency between this Section 14.3 and another provision of a Finance Document, this Section 14.3 shall prevail.

14.4. Consent of Partners.

The parties hereto acknowledge and agree that the other parties hereto are entitled to treat any discharge, receipt, waiver, consent, communication, agreement, act or other thing given or effected by the Obligor as having been given or effected for or on behalf of, and with the authority and consent of, the Partners.

15. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

15.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner

and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

15.2. Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 20) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by (i) a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant beneficial name, any nominee name, address and other details for notices of each transferee of such Note or part thereof and (ii) a QP Transfer Certificate duly executed by each transferee of such Note) within ten Business Days thereafter the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1-A, 1-B, 1-C or 1-D, as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than U.S.\$100,000 in the case of the U.S. Dollar Notes, and A\$100,000 in the case of the Series G Notes, provided that if necessary to enable the registration of transfer by a holder of its entire holding of a series of the Notes, one Note of such series may be in a denomination of less than U.S.\$100,000 or A\$100,000, as the case may be. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have agreed to be bound by the provisions contained herein expressed to be, or that otherwise are, applicable to holders of Notes and to have made (as of the date of such acceptance instead of the date of the Closing) the representations set forth in Section 6, except with respect to Sections 6.1, 6.3(a) and 6.3(d).

15.3. Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 20) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S.\$100,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series and currency, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

16. PAYMENTS ON NOTES.

16.1. Place of Payment.

Subject to Section 16.2, payments of principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of JPMorgan Chase Bank, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

16.2. Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 16.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Obligor and the Partners made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its address as set forth in Section 20. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 15.2. The Company will afford the benefits of this Section 16.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 16.2.

17. EXPENSES, ETC.

17.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Obligor will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of any Finance Document (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under any Finance Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with any Finance Document, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Obligor, either Partner or any Member or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Notes or by any other Finance Document and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed U.S.\$4,400. The Obligor will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

17.2. Certain Taxes.

The Obligor agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of any Finance Document or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, any Finance Document, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Obligor pursuant to this Section 17, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Obligor or any Partner hereunder or by any Member Guarantor under any Member Guarantee.

17.3. Survival.

The obligations of the Obligor under this Section 17 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of any Finance Document, and the termination of this Agreement.

18. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Obligor or either Partner pursuant to this Agreement shall be deemed representations and warranties of the Obligor or such Partner,

as the case may be, under this Agreement. Subject to the preceding sentence, this Agreement, the Notes and the other Finance Documents embody the entire agreement and understanding between each Purchaser, the Obligor and each Partner, and supersede all prior agreements and understandings relating to the subject matter hereof.

19. AMENDMENT AND WAIVER.

19.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Obligor, the Partners and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 23, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount or Modified Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend Section 8, 11(a), 11(b), 12, 13, 14, 19, 22 or 24.11.

19.2. Solicitation of Holders of Notes.

(a) Solicitation. The Obligor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Obligor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 19 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. No Transaction Party or any Member will directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any other Finance Document unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer. Any consent made pursuant to this Section 19.2 by the holder of any Note that has transferred or has agreed to transfer such Note to the Obligor, any Member or any Affiliate of the Obligor or any Member pursuant to an offer made pursuant to clause (b) of the first sentence of Section 8.9 and has provided or has agreed to

provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such transferring holder.

19.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 19 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Obligor and the Partners without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Obligor and the holder of any Note or between either Partner and the holder of any Note nor any delay in exercising any rights hereunder or under any Note or under any Member Guarantee shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

19.4. Notes Held by any Transaction Party or Member, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by any Transaction Party or any Member or any Affiliate of any Transaction Party or any Member shall be deemed not to be outstanding.

20. NOTICES; ENGLISH LANGUAGE.

All notices and communications provided for hereunder shall, to the extent that the recipient has supplied an email address for receipt of such notices and communications, be by way of electronic mail. If any recipient has not supplied an email address for receipt of notices and communications provided for hereunder, notices and communications shall be provided by physical delivery, sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an air express delivery service (charges prepaid), or (b) by an air express delivery service (with charges prepaid).

All notices and communications provided for hereunder shall be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or nominee at the address (whether email or physical) specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address (whether email or physical) as such other holder shall have specified to the Company in writing,

(iii) if to the Company, to the Company at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Chief Financial Officer), or at such other address as the Company shall have specified to the holder of each Note in writing,

(iv) if to the Guarantor, to the Guarantor at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Chief Financial Officer), or at such other address as the Guarantor shall have specified to the holder of each Note in writing,

(v) if to Sky Cable, to Sky Cable at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Company Secretary), or at such other address as Sky Cable shall have specified to the holder of each Note in writing, and

(vi) if to Telstra Media, to Telstra Media at its address (whether email or physical) set forth at the beginning hereof (in the case of physical delivery, to the attention of the Head of Media), or at such other address as Telstra Media shall have specified to the holder of each Note in writing.

Notices under this Section 20 will be deemed given only when actually received. All notices related to any Default, Event of Default, acceleration or prepayment shall, in addition to delivery by email (if applicable), be sent by physical delivery as set forth above.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement or any Member Guarantee shall be in English or accompanied by an English translation thereof.

21. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Obligor and the Partners agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 21 shall not prohibit the Obligor, either Partner or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

22. CONFIDENTIAL INFORMATION.

For the purposes of this Section 22, “Confidential Information” means information delivered to any Purchaser by or on behalf of any Transaction Party or any Member in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of such Transaction Party or such Member, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser’s behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by any Transaction Party or any Member or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 22, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 22), (v) any Person from which it offers to purchase any security of the Obligor or either Partner (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 22), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser’s Notes and this Agreement. Additionally, no Purchaser may disclose any information of the kind referred to in section 275(1) of the PPSA other than where (a) required due to the operation of section 275(7) of the PPSA or (b) otherwise permitted to be disclosed pursuant to this Section 22. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 22 as though it were a party to this Agreement. On reasonable request by the Obligor or either Partner in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Obligor and the Partners embodying the provisions of this Section 22.

23. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 23), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 23), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

24. MISCELLANEOUS.

24.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

24.2. Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8 that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or Modified Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

24.3. Accounting Terms.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with Relevant GAAP. Except as otherwise specifically provided herein, all computations made pursuant to this Agreement shall be made in accordance with Relevant GAAP, and all financial statements shall be prepared in accordance with Relevant GAAP, where applicable for special purpose accounts.

(b) For purposes of determining compliance with the financial covenants contained in this Agreement, any election by an Obligor or a Partner to measure an item of Indebtedness using fair value (as permitted by International Accounting Standard 39 or any similar accounting standard (the “**Relevant Accounting Standard**”)) shall be disregarded and such determination shall be made as if such election had not been made. The foregoing restriction shall not apply to any derivative financial instrument and shall not restrict in any way valuations related to hedge accounting under any Relevant Accounting Standard.

24.4. Change in Relevant GAAP.

If the Obligor notifies the holders of Notes that, in the Obligor’s reasonable opinion, or if the Required Holders notify the Obligor that, in the Required Holders’ reasonable opinion, as a result of changes in Relevant GAAP after the date of this Agreement (“**Subsequent Changes**”), any of the covenants contained in Sections 10.5, 10.6, 10.7 and 10.8, or any of the defined terms used therein no longer apply as intended such that such covenants are materially more or less restrictive to the Obligor than as at the date of this Agreement, the Obligor and the holders of Notes shall negotiate in good faith to reset or amend such covenants or defined terms so as to negate such Subsequent Changes, or to establish alternative covenants or defined terms. Until the Obligor and the Required Holders so agree to reset, amend or establish alternative covenants or defined terms, the covenants contained in Sections 10.5, 10.6, 10.7 and 10.8, together with the relevant defined terms, shall continue to apply and compliance therewith shall be determined assuming that the Subsequent Changes shall not have occurred (“**Static GAAP**”). During any period that compliance with any covenants shall be determined pursuant to Static GAAP, the Obligor shall include relevant reconciliations in reasonable detail between Relevant GAAP and Static GAAP with respect to the applicable covenant compliance calculations contained in each certificate of a Senior Financial Officer delivered pursuant to Section 7.2(a) during such period. To the extent that a Default or Event of Default shall have occurred and be continuing, any Additional Covenants shall be subject to the effect of this Section 24.4.

24.5. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

24.6. Construction, Etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

24.7. Ratification.

As a shareholder of any Member Guarantor, the Obligor and each Partner hereby ratifies and confirms the execution, delivery and performance by such Member Guarantor of its Member Guarantee and all documents, certificates and other agreements related thereto or contemplated thereby.

24.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

24.9. Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

24.10. Jurisdiction and Process; Waiver of Jury Trial.

(a) Each of the Obligor and each Partner irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, each of the Obligor and each Partner irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each of the Obligor and each Partner agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 24.10(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each of the Obligor and each Partner consents to process being served by or on behalf of any holder of a Note in any suit, action or proceeding of the nature referred to in Section 24.10(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 20, to National Registered Agents, Inc., at 111 Eighth Avenue, New

York, NY 10011, as its agent for the purpose of accepting service of any process in the United States. Each of the Obligor and each Partner agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 24.10 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Obligor or either Partner in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each of the Obligor and each Partner hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT OR THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

24.11. Obligation to Make Payments in Applicable Currency.

(a) Any payment on account of an amount that is payable under the U.S. Dollar Notes in U.S. Dollars which is made to or for the account of any holder of U.S. Dollar Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Obligor or either Partner, shall constitute a discharge of the obligation of the Obligor or such Partner under this Agreement or the U.S. Dollar Notes, as the case may be, only to the extent of the amount of U.S. Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such holder, the Obligor and the Partners agree to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency.

(b) Any payment on account of an amount that is payable under the Series G Notes in Australian Dollars which is made to or for the account of any holder of Series G Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Obligor or either Partner, shall constitute a discharge of the obligation of the Obligor or such Partner under this Agreement or the Series G Notes, as the case may be, only to the extent of the amount of Australian Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Australian Dollars that could be so purchased is less than the amount of Australian Dollars originally due to such holder, the Obligor and the Partners agree to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency.

(c) Costs and expenses payable pursuant to Section 17.1 or 17.2 shall be paid in either U.S. Dollars or Australian Dollars depending on the currency in which such costs and expenses are incurred and billed, subject to the same indemnity set forth in clause (a) above (in the case of U.S. Dollars) or clause (b) above (in the case of Australian Dollars).

(d) Any payment under any provision of this Agreement (other than as specified in clauses (b) and (c) above) shall be in U.S. Dollars and any such payment made in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Obligor or either Partner, shall constitute a discharge of the obligation of the Obligor or such Partner hereunder only to the extent of the amount of U.S. Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such holder, the Obligor and the Partners agree to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency.

(e) The indemnities contained in the foregoing clauses (a) through (d) shall, to the fullest extent permitted by law, constitute obligations separate and independent from the other obligations contained in this Agreement and the Notes and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder, under the Notes or under any judgment or order. As used in this Section 24.11, the term “**London Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

24.12.Exchange Rate.

For the purpose of (i) determining the percentage ownership of Notes under the definition of “Required Holders”, (ii) determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding have approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding and (iii) any other determination of the requisite percentage of the principal amount of any Notes of more than one currency, the principal amount of any outstanding Series G Note shall be deemed to be the equivalent amount in U.S. Dollars calculated by converting such principal amount of Series G Notes into U.S. Dollars at a rate of exchange of U.S.\$1.00 = A\$0.9715.

For the purpose of allocating any partial prepayment of Notes or offer of partial prepayment of Notes pursuant to Section 8.2, the principal amount of any outstanding Series G Note shall be deemed to be the equivalent amount in U.S. Dollars calculated by converting such principal amount of Series G Notes into U.S. Dollars at a rate of exchange indicated on the applicable screen of Bloomberg Financial Markets as of the end of the second Business Day immediately preceding the date of such prepayment or offer.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you, the Company, the Guarantor and the Partners.

Very truly yours,

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED**, in its own capacity:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

Executed in accordance with section 127 of the *Corporations Act 2001* by **FOXTEL MANAGEMENT PTY LIMITED**, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Note and Guarantee Agreement

Executed in accordance with section 127 of the *Corporations Act 2001* by **SKY CABLE PTY LIMITED:**

/s/ Ian Philip
Director Signature

Ian Philip
Print Name

/s/ Stephen Rue
Director/Secretary Signature

Stephen Rue
Print Name

Signature Page to Note and Guarantee Agreement

Executed in accordance with section 127 of the *Corporations Act 2001* by **TELSTRA MEDIA PTY LIMITED:**

/s/ Ian Davis
Director Signature

IAN DAVIS
Print Name

/s/ Mark Hall
Director

MARK HALL
Print Name

This Agreement is hereby accepted and agreed to as of the date thereof.

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By: /s/ Joseph R. Cantey Jr.
Name: Joseph R. Cantey Jr.
Title: Director

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

MASSACHUSETTS MUTUAL LIFE INSURANCE
COMPANY

By: Babson Capital Management LLC as Investment
Adviser

By: /s/ John B. Wheeler

Name: John B. Wheeler

Title: Managing Director

[Signature Page to FOXTEL Note Purchase Agreement]

FOXTEL Management Pty Limited
3.68% Series D Guaranteed Senior Notes
Due July 25, 2019
PPN: Q3946*AE3

This Agreement is hereby accepted and agreed to as
of the date thereof.

SUN LIFE INSURANCE AND ANNUITY
COMPANY OF NEW YORK

By: /s/ Deborah J. Foss

Name: Deborah J. Foss
Title: Authorized Signer

By: /s/ Ann C. King

Name: Ann C. King
Title: Authorized Signer

[Signature Page to FOXTEL Note Purchase Agreement]

FOXTEL Management Pty Limited
3.68% Series D Guaranteed Senior Notes
Due July 25, 2019
PPN: Q3946*AE3

This Agreement is hereby accepted and agreed to as
of the date thereof.

SUN LIFE ASSURANCE COMPANY OF CANADA

By: /s/ Deborah J. Foss

Name: Deborah J. Foss
Title: Managing Director, Head of Private Debt
Private Fixed Income

By: /s/ Ann C. King

Name: Ann C. King
Title: Assistant Vice President and Senior
Counsel

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Gwendolyn S. Foster

Name: Gwendolyn S. Foster

Title: Senior Director

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

By: AEGON USA Investment Management, LLC, its investment manager

By: /s/ Josh Prieskorn

Name: Josh Prieskorn

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

TRANSAMERICA LIFE INSURANCE COMPANY

By: AEGON USA Investment Management, LLC, its investment manager

By: /s/ Josh Prieskorn

Name: Josh Prieskorn

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ Randal W. Ralph

Name: Randal W. Ralph

Title: Its Authorized Representative

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

By: /s/ Randal W. Ralph
Name: Randal W. Ralph
Title: Its Authorized Representative

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of
the date thereof.

AMERICO FINANCIAL LIFE AND ANNUITY -U6F1

By: /s/ Greg A. Hamilton

Name: Greg A. Hamilton

Title: VP-Investments

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

WESTERN-SOUTHERN LIFE ASSURANCE
COMPANY

By: /s/ James J. Vance

Name: James J. Vance

Title: Vice President

By: /s/ Jeffrey L. Stainton

Name: Jeffrey L. Stainton

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

COLUMBUS LIFE INSURANCE COMPANY

By: /s/ James J. Vance

Name: James J. Vance

Title: Vice President

By: /s/ Jonathan D. Niemeyer

Name: Jonathan D. Niemeyer

Title: Senior Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

THE LAFAYETTE LIFE INSURANCE COMPANY

By: /s/ James J. Vance

Name: James J. Vance

Title: Vice President

By: /s/ Deborah J. Vargo

Name: Deborah J. Vargo

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

NATIONAL MUTUAL BENEFIT GROUP
HEALTH COOPERATIVE

By: Prime Advisors, Inc., its Attorney-in-Fact

By: /s/ Scott Sell

Name: Scott Sell

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

USAA LIFE INSURANCE COMPANY

By: /s/ Donna Baggerly

Name: Donna Baggerly

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

USAA CASUALTY INSURANCE COMPANY

By: /s/ Donna Baggerly

Name: Donna Baggerly

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

UNITED SERVICES AUTOMOBILE
ASSOCIATION

By: /s/ Donna Baggerly

Name: Donna Baggerly

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

AMERICAN EQUITY INVESTMENT LIFE
INSURANCE COMPANY

By: /s/ Jeffrey A. Fossell

Name: Jeffrey A. Fossell

Title: Authorized Signatory

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

CMFG LIFE INSURANCE COMPANY CUMIS
INSURANCE SOCIETY, INC.

By: MEMBERS Capital Advisors, Inc., acting as
Investment Advisor

By: /s/ Allen R. Cantrell
Name: Allen R. Cantrell
Title: Managing Director, Investments

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

RGA REINSURANCE COMPANY, a Missouri corporation

By: Principal Global Investors, LLC, a Delaware limited liability company, its authorized signatory

By: /s/ Colin Pennycooke
Name: COLIN PENNYCOOKE,
Title: Counsel

By: /s/ James C. Fifield
Name: JAMES C. FIFIELD
Title: ASSISTANT GENERAL COUNSEL

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

UNUM LIFE INSURANCE COMPANY OF AMERICA

By: Provident Investment Management, LLC

Its: Agent

By: /s/ Ben S. Miller

Name: Ben S. Miller

Title: Managing Director

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

METLIFE ALICO LIFE INSURANCE K.K.
by MetLife Investment Advisors Company, LLC, its
Investment Manager

By: /s/ Judith A. Gulotta

Name: Judith A. Gulotta
Title: Managing Director

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Delaware Investment Advisers,
a series of Delaware Management Business Trust,
Attorney in Fact

By: /s/ Frank LaTorraca

Name: Frank LaTorraca

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

JACKSON NATIONAL LIFE INSURANCE
COMPANY

By: PPM America, Inc., as attorney in fact,
on behalf of Jackson National Life Insurance
Company

By: /s/ Brian B. Manczak

Name: Brian B. Manczak

Title: Managing Director

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and
agreed to as of the date thereof.

ING LIFE INSURANCE AND ANNUITY COMPANY
RELIASTAR LIFE INSURANCE COMPANY
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK
MIDWESTERN UNITED LIFE INSURANCE COMPANY
By: ING Investment Management LLC, as Agent

By: /s/ Paul Aronson
Name: Paul Aronson
Title: Senior Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

ING LIFE INSURANCE COMPANY LTD.

By: ING Investment Management LLC, as Agent

By: /s/ Paul Aronson

Name: Paul Aronson

Title: Senior Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and
agreed to as of the date thereof.

AVIVA LIFE AND ANNUITY COMPANY
AVIVA LIFE AND ANNUITY COMPANY OF NEW YORK
ROYAL NEIGHBORS OF AMERICA

By: Aviva Investors North America, Inc.,
its authorized attorney-in-fact

By: /s/ Roger D. Fors
Name: Roger D. Fors
Title: VP- Private Fixed Income

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY

By: /s/ David Divine

Name: David Divine

Title: Portfolio Manager

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and
agreed to as of the date thereof.

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By: /s/ Jed R. Martin

Name: Jed R. Martin

Title: Vice President, Private Placements

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Colleen C. Cooney

Name: Colleen C. Cooney

Title: Corporate Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: New York Life Investment Management LLC, its Investment Manager

By: /s/ Colleen C. Cooney

Name: Colleen C. Cooney

Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 3-2)

By: New York Life Investment Management LLC, its Investment Manager

By: /s/ Colleen C. Cooney

Name: Colleen C. Cooney

Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C)

By: New York Life Investment Management LLC, its Investment Manager

By: /s/ Colleen C. Cooney

Name: Colleen C. Cooney

Title: Vice President

[Signature Page to FOXTEL Note Purchase Agreement]

This Agreement is hereby accepted and agreed to as of the date thereof.

EMERGENCY SERVICES SUPERANNUATION SCHEME STATE SUPERANNUATION FUND (ESWAEC) by its Investment Manager Victorian Funds Management Corporation by its Authorised Officer under Instrument of Delegation dated 28 July 2011.

By: /s/ Paul Murray

Name: Paul Murray

Title: Head of Debt & Absolute Returns

This Agreement is hereby accepted and agreed to as of the date thereof.

TRANSPORT ACCIDENT COMMISSION (TAWAEC) by its Investment Manager Victorian Funds Management Corporation by its Authorised Officer under Instrument of Delegation dated 28 July 2011.

By: /s/ Paul Murray
Name: Paul Murray
Title: Head of Debt & Absolute Returns

This Agreement is hereby accepted and agreed to as of the date thereof.

VICTORIAN WORKCOVER AUTHORITY (AAWAEC) by its Investment Manager Victorian Funds Management Corporation by its Authorised Officer under Instrument of Delegation dated 28 July 2011.

By: /s/ Paul Murray

Name: Paul Murray

Title: Head of Debt & Absolute Returns

This Agreement is hereby accepted and agreed to as of the date thereof.

VICTORIAN MANAGED INSURANCE AUTHORITY (VMLMCP) by its Investment Manager Victorian Funds Management Corporation by its Authorised Officer under Instrument of Delegation dated 28 July 2011.

By: /s/ Paul Murray

Name: Paul Murray

Title: Head of Debt & Absolute Returns

This Agreement is hereby accepted and agreed to as of the date thereof.

EMERGENCY SERVICES SUPERANNUATION SCHEME (ESIACP) by its Investment Manager Victorian Funds Management Corporation by its Authorised Officer under Instrument of Delegation dated 28 July 2011.

By: /s/ Paul Murray

Name: Paul Murray

Title: Head of Debt & Absolute Returns

INFORMATION RELATING TO PURCHASERS

Attached.

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	Series E Series F	U.S. \$21,000,000 U.S. \$27,000,000

c/o Babson Capital Management LLC
1500 Main Street, Suite 2200
PO Box 15189
Springfield, MA 01115-5189
Attn: Securities Investment Division

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

MassMutual Co-Owned Account
Citibank

New York, New York

ABA # 021000089

Account Number: 30510685

Re: [4.27% Series E Senior Notes due July 25, 2022] [4.42% Series F Notes due July 25, 2024)] (FOXTEL Management Pty Limited, PPN [A3946* AE3][Q3946* AF0]; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street, Suite 200

PO Box 15189

Springfield, MA 01115-5189

Attn: Securities Custody and Collection Department

- (3) Duplicate payment notices (only) to:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

Fax: (413) 226-1754 or (413) 226-1803

- (4) Compliance reporting information and all other notices and communications to:

Massachusetts Mutual Life Insurance Company

c/o Babson Capital Management LLC

1500 Main Street, Suite 2200

PO Box 15189

Springfield, MA 01115-5189

Attn: Securities Investment Division

- (5) Electronic delivery of financials and other information:
privateplacements@babsoncapital.com
- (6) Notes to be issued in the name of: MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
- (7) Tax I.D. Number for Massachusetts Mutual Life Insurance Company: 04-1590850
- (8) PHYSICAL DELIVERY INSTRUCTIONS:

Trevor Sanford
Babson Capital Management LLC
1500 Main Street, Suite 2800
Springfield, MA 01115-5189
Telephone: (413) 226-0752
Fax: (413) 226-0752
e-mail: tsanford@babsoncapital.com

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE COMPANY	Series D	U.S. \$15,100,000

c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Fixed Income Investors Group
Private Finance
2nd Floor

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

JPMorgan Chase Bank
New York, New York 10019
ABA # 021-000-021
Credit: New York Life Insurance Company
General Account Number: 008-9-00687
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited, PPN Q3946* AD5; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Securities Operation
Private Group
2nd Floor
Fax: (908) 840-3385

with a copy sent electronically to:
FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

Any changes in the foregoing payment instructions shall be confirmed by email to NYLIMWireConfirmation@nylim.com prior to becoming effective.

- (3) All other communications to:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Fixed Income Investors Group
Private Finance
2nd Floor
Fax: (212) 447-4122

with a copy sent electronically to:
FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

with a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1016
Fax: (212) 576-8340

- (4) Notes to be issued in the name of: NEW YORK LIFE INSURANCE COMPANY

- (5) Tax I.D. Number for New York Life Insurance Company: 13-5582869

- (6) PHYSICAL DELIVERY INSTRUCTIONS:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
Room 1016
New York, NY 10010-1603
Attn: Matthew DelRosso

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION c/o New York Life Investment Management LLC 51 Madison Avenue 2nd Floor, Room 208 New York, NY 10010-1603 Attn: Fixed Income Investors Group Private Finance 2nd Floor	Series D	U.S. \$13,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

JPMorgan Chase Bank
New York, New York 10019
ABA # 021-000-021

Credit: New York Life Insurance and Annuity Corporation
General Account Number: 323-8-47382

Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited, PPN Q3946* AD5; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Securities Operation
Private Group
2nd Floor
Fax: (908) 840-3385

with a copy sent electronically to:
FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

Any changes in the foregoing payment instructions shall be confirmed by e-mail to NYLIMWireConfirmation@nylim.com prior to becoming effective.

- (3) All other communications to:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Fixed Income Investors Group
Private Finance
2nd Floor
Fax: (212) 447-4122

with a copy sent electronically to:

FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

with a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1016
Fax: (212) 576-8340

- (4) Notes to be issued in the name of: NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

- (5) Tax I.D. Number for New York Life Insurance and Annuity Corporation: 13-3044743

- (6) PHYSICAL DELIVERY INSTRUCTIONS:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
Room 1016
New York, NY 10010-1603
Attn: Matthew DelRosso

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C) c/o New York Life Investment Management LLC 51 Madison Avenue 2nd Floor, Room 208 New York, NY 10010-1603 Attn: Fixed Income Investors Group Private Finance 2nd Floor	Series D	U.S. \$600,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

JPMorgan Chase Bank
New York, New York 10019
ABA # 021-000-021
Credit: NYLIAC SEPARATE BOLI 30C
General Account Number: 304-6-23970
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited, PPN Q3946* AD5; Prin. \$____; Int.: \$____)

(2) Payment notices, audit confirmations and related correspondence to:

New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Securities Operation
Private Group
2nd Floor
Fax: (908) 840-3385

with a copy sent electronically to:
FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

Any changes in the foregoing payment instructions shall be confirmed by e-mail to NYLIMWireConfirmation@nylim.com prior to becoming effective.

- (3) All other communications to:

New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Fixed Income Investors Group
Private Finance
2nd Floor
Fax: (212) 447-4122

with a copy sent electronically to:

FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

with a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1016
Fax: (212) 576-8340

- (4) Notes to be issued in the name of: NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C)
- (5) Tax I.D. Number for New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C): 13-3044743
- (6) PHYSICAL DELIVERY INSTRUCTIONS:

New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
Room 1016
New York, NY 10010-1603
Attn: Matthew DelRosso

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
<p>NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 3-2) c/o New York Life Investment Management LLC 51 Madison Avenue 2nd Floor, Room 208 New York, NY 10010-1603 Attn: Fixed Income Investors Group Private Finance 2nd Floor</p>	Series D	U.S. \$300,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

JPMorgan Chase Bank
New York, New York 10019
ABA # 021-000-021
Credit: NYLIAC SEPARATE BOLI 3-2
General Account Number: 323-9-56793
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited, PPN Q3946* AD5; Prin. \$_____: Int.: \$_____)

(2) Payment notices, audit confirmations and related correspondence to:

New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Securities Operation
Private Group
2nd Floor
Fax: (908) 840-3385

with a copy sent electronically to:
FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

Any changes in the foregoing payment instructions shall be confirmed by e-mail to NYLIMWireConfirmation@nylim.com prior to becoming effective.

(3) All other communications to:

New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor, Room 208
New York, NY 10010-1603
Attn: Fixed Income Investors Group
Private Finance
2nd Floor
Fax: (212) 447-4122

with a copy sent electronically to:

FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

with a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1016
Fax: (212) 576-8340

(4) Notes to be issued in the name of: NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 3-2)

(5) Tax I.D. Number for New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 3-2): 13-3044743

(6) PHYSICAL DELIVERY INSTRUCTIONS:

New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
Room 1016
New York, NY 10010-1603
Attn: Matthew DelRosso

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
WESTERN-SOUTHERN LIFE ASSURANCE COMPANY 400 Broadway, MS 80 Cincinnati, OH 45202-3341	Series E	U.S. \$3,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon

ABA# 021000018

BNF: IOC566

Attn: PP P&I Department

Ref: Bank # 952623

Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$ ____ : Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

Western-Southern Life Assurance Company

400 Broadway, MS 80

Cincinnati, OH 45202-3341

invacctg@wslife.com

- (3) Compliance reporting information and all other notices and communications to:

Fort Washington Investment Advisors

Suite 1200—Private Placements

303 Broadway

Cincinnati, OH 45202

Email: privateplacements@fortwashington.com

- (4) Notes to be issued in the name of: Hare & Co.

Tax I.D. Number for Hare & Co.: 13-6062616

- (5) Tax I.D. Number for Western-Southern Life Assurance Company: 31-1000236

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street
3rd Floor - Window A
New York, NY 10286
Ref: A/C Number 952623 Western-Southern Life Assurance Company
Contact: Ada Casiano (212) 635-9121

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
COLUMBUS LIFE INSURANCE COMPANY 400 East Fourth Street, MS 80 Cincinnati, OH 45202-3302	Series E	U.S. \$3,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon

ABA# 021000018

BNF: IOC566

Attn: PP P&I Department

Ref: Bank # 067067

Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$_____: Int.: \$_____))

- (2) Payment notices, audit confirmations and related correspondence to:

Columbus Life Insurance Company

400 East Fourth Street, MS 80

Cincinnati, OH 45202-3302

invacctg@wslife.com

- (3) Compliance reporting information and all other notices and communications to:

Fort Washington Investment Advisors

Suite 1200—Private Placements

303 Broadway

Cincinnati, OH 45202

Email: privateplacements@fortwashington.com

- (4) Notes to be issued in the name of: Hare & Co.

Tax I.D. Number for Hare & Co.: 13-6062616

- (5) Tax I.D. Number for Columbus Life Insurance Company: 31-1191427

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon

One Wall Street

3rd Floor—Window A

New York, NY 10286

Ref: A/C Number 067067 Columbus Life Insurance Company

Contact: Ada Casiano (212) 635-9121

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE LAFAYETTE LIFE INSURANCE COMPANY 400 Broadway, MS 80 Cincinnati, OH 45202-3341	Series E	U.S. \$3,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon

ABA# 021000018

BNF: IOC566

Attn: PP P&I Department

Ref: Bank # 205724

Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$____: Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

The Lafayette Life Insurance Company

400 Broadway, MS 80

Cincinnati, OH 45202-3341

invacctg@wslife.com

- (3) Compliance reporting information and all other notices and communications to:

Fort Washington Investment Advisors

Suite 1200—Private Placements

303 Broadway

Cincinnati, OH 45202

Email: privateplacements@fortwashington.com

- (4) Notes to be issued in the name of: Hare & Co.

Tax I.D. Number for Hare & Co.: 13-6062616

- (5) Tax I.D. Number for The Lafayette Life Insurance Company: 35-0457540

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street
3rd Floor—Window A
New York, NY 10286
Ref: A/C Number 205724 The Lafayette Life Insurance Company
Contact: Ada Casiano (212) 635-9121

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
USAA LIFE INSURANCE COMPANY 9800 Fredericksburg Road San Antonio, TX 78288	Series F	U.S. \$14,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Northern Chgo/Trust

ABA#071000152

Credit Wire Account # 5186041000

26-11042/ Life Company

Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited, PPN [Q3946* AF0]; Prin. \$ _____ : Int.: \$ _____)

- (2) Payment notices, audit confirmations and related correspondence to:

Ell & Co.

c/o Northern Trust Company

PO Box 92395

Chicago, IL 60675-92395

Attn: Income Collections

Please include the cusip and shares/par for the dividend/interest payment

And

John Spear

VP Insurance Portfolios

9800 Fredericksburg Road

San Antonio, TX 78288

(210) 498-8661

- (3) Compliance reporting information and all other notices and communications to:

John Spear

VP Insurance Portfolios

9800 Fredericksburg Road

San Antonio, TX 78288

(210) 498-8661

- (4) Notes to be issued in the name of: ELL & CO.
- (5) Tax I.D. Number for USAA Life Insurance Company: 74-1472662
- (6) PHYSICAL DELIVERY INSTRUCTIONS:

Northern Trust Company
Trade Securities Processing, C-1N
Account: 26-11042
801 South Canal Street
Chicago, IL 60607

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
USAA CASUALTY INSURANCE COMPANY 9800 Fredericksburg Road San Antonio, TX 78288	Series D	U.S. \$4,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Northern Chgo/Trust
 ABA#071000152
 Credit Wire Account # 5186041000
 26-11038/ CIC
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited, PPN [Q3946* AD5]; Prin. \$ ____ : Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

Ell & Co.
 c/o Northern Trust Company
 PO Box 92395
 Chicago, IL 60675-92395
 Attn: Income Collections
 Please include the cusip and shares/par for the dividend/interest payment

And

Donna Baggerly
 VP Insurance Portfolios
 9800 Fredericksburg Road
 San Antonio, TX 78288
 (210) 498-5195

- (3) Compliance reporting information and all other notices and communications to:

Donna Baggerly
 VP Insurance Portfolios
 9800 Fredericksburg Road
 San Antonio, TX 78288
 (210) 498-5195

- (4) Notes to be issued in the name of: ELL & CO.
- (5) Tax I.D. Number for USAA Casualty Insurance Company: 59-3019540
- (6) PHYSICAL DELIVERY INSTRUCTIONS:

Northern Trust Company
Trade Securities Processing, C-1N
Account: 26-11038/CIC
801 South Canal Street
Chicago, IL 60607

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
UNITED SERVICES AUTOMOBILE ASSOCIATION 9800 Fredericksburg Road San Antonio, TX 78288	Series D	U.S. \$4,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Northern Chgo/Trust

ABA#071000152

Credit Wire Account # 5186041000

26-11037/USAA

Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited, PPN [Q3946* AD5]; Prin. \$ ____ : Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

ELL & Co.

c/o Northern Trust Company

PO Box 92395

Chicago, IL 60675-92395

Attn: Income Collections

Please include the cusip and shares/par for the dividend/interest payment

- (3) Compliance reporting information and all other notices and communications to:

Donna Baggerly

VP Insurance Portfolios

9800 Fredericksburg Road

San Antonio, TX 78288

(210) 498-5195

- (4) Notes to be issued in the name of: ELL & CO.

- (5) Tax I.D. Number for United Services Automobile Association: 74-0959140

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Northern Trust Company
Trade Securities Processing, C-1N
Account: 26-11037
801 South Canal Street
Chicago, IL 60607

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
CMFG LIFE INSURANCE COMPANY c/o Members Capital Advisors, Inc. Attn: Private Placements 5910 Mineral Point Road Madison, WI 53705-4456	Series F	U.S. \$10,000,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

CMFG Life Insurance Company
State Street Bank
DTC/New York Window
Attn: Robert Mendez
55 Water Street
Plaza Level - 3rd Floor
New York, NY 10041
ABA # 011000028
DDA# 1662-544-4

Reference Fund: ZT1E (Must be first 4 digits of reference section)

Nominee Name: TURNKEYS + CO*

Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited, PPN [Q3946* AF0]; Prin. \$ ____; Int.: \$ ____)

* Please do not use nominee name in jurisdictions where withholding tax problem.

(2) Payment notices, audit confirmations and related correspondence to:

Members Capital Advisors, Inc.
Attn: Private Placements
5910 Mineral Point Road
Madison, WI 53705-4456

With an electronic copy to:
DS-PRIVATEPLACEMENTS@CUNAMUTUAL.COM

CONTACTS:
Stuart Rossmiller
Director, Research, Fixed Income

ATTORNEY:
John Britt
Legal Counsel

5910 Mineral Point Road
Madison WI 53705-4456
Email: Stuart.Rossmiller@Cunamutual.Com
Phone: 608/231-8292
Fax: 608/236-7601

5910 Mineral Point Road
Madison WI 53705-4456
Email: John.Britt@Cunamutual.Com
Home: 860/693-2844
Office: 608/231-8653
Cell: 860/539-3394

Allen Cantrell Fax: 860/693-6402
Managing Director, Investments
5910 Mineral Point Road
Madison WI 53705-4456
Email: Al.Cantrell@Cunamutual.Com
Phone: 608/231-7243
Fax: 608/236-8228

Carrie Snell
Servicing & Closing Specialist, Private Placements
5910 Mineral Point Road
Madison WI 53705-4456
Email: Carrie.Snell@Cunamutual.Com
Phone: 608/231-8639
Fax: 608/236-8639

John Petchler
Director, Investments
5910 Mineral Point Road
Madison WI 53705-4456
Email: john.petchler@Cunamutual.Com
Phone: 608/665-8255
Fax: 608/236-6224

(3) Compliance reporting information to:

Members Capital Advisors, Inc.
Attn: Private Placements
5910 Mineral Point Road
Madison, WI 53705-4456

With an electronic copy to:

DS-PRIVATEPLACEMENTS@CUNAMUTUAL.COM

(4) Notes to be issued in the name of: TURNKEYS + CO as nominee for CMFG Life Insurance Company

(5) Tax I.D. Number for CMFG Life Insurance Company: 39-0230590

(6) Tax I.D. Number for TURNKEYS + CO: 03-0400481

(7) PHYSICAL DELIVERY INSTRUCTIONS:

State Street Bank
DTC/New York Window
Attn: Robert Mendez
55 Water Street
Plaza Level - 3rd Floor
New York, NY 10041
Telephone: (617) 985-1914

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S) Series F	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED U.S. \$2,000,000
CUMIS INSURANCE SOCIETY, INC. c/o Members Capital Advisors, Inc. Attn: Private Placements 5910 Mineral Point Road Madison, WI 53705-4456		

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

CUMIS Insurance Society, Inc.

State Street Bank

DTC/New York Window

Attn: Robert Mendez

55 Water Street

Plaza Level - 3rd Floor

New York, NY 10041

ABA # 011000028

DDA# 1658-736-2

Reference Fund: ZT1i (Must be first 4 digits of reference section)

Nominee Name: TURNJETTY + CO*

Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
PPN [Q3946* AF0]; Prin. \$ _____: Int.: \$ _____)

- * Please do not use nominee name in jurisdictions where withholding tax problem.

- (2) Payment notices, audit confirmations and related correspondence to:

Members Capital Advisors, Inc.

Attn: Private Placements

5910 Mineral Point Road

Madison, WI 53705-4456

With an electronic copy to:

DS-PRIVATEPLACEMENTS@CUNAMUTUAL.COM

CONTACTS:

Stuart Rossmiller

Director, Research, Fixed Income

5910 Mineral Point Road

ATTORNEY:

John Britt

Legal Counsel

5910 Mineral Point Road

Madison WI 53705-4456
Email: Stuart.Rossmiller@Cunamutual.Com
Phone: 608/231-8292
Fax: 608/236-7601

Madison WI 53705-4456
Email: John.Britt@Cunamutual.Com
Home: 860/693-2844
Office: 608/231-8653
Cell: 860/539-3394

Allen Cantrell Fax: 860/693-6402
Managing Director, Investments
5910 Mineral Point Road
Madison WI 53705-4456
Email: A1.Cantrell@Cunamutual.Com
Phone: 608/231-7243
Fax: 608/236-8228

Carrie Snell
Servicing & Closing Specialist, Private Placements
5910 Mineral Point Road
Madison WI 53705-4456
Email: Carrie.Snell@Cunamutual.Com
Phone: 608/231-8639
Fax: 608/236-8639

John Petchler
Director, Investments
5910 Mineral Point Road
Madison WI 53705-4456
Email: john.petchler@Cunamutual.Com
Phone: 608/665-8255
Fax: 608/236-6224

(3) Compliance reporting information to:

Members Capital Advisors, Inc.
Attn: Private Placements
5910 Mineral Point Road
Madison, WI 53705-4456

With an electronic copy to:

DS-PRIVATEPLACEMENTS@CUNAMUTUAL.COM

(4) Notes to be issued in the name of: TURNJETTY + CO as nominee for CUMIS Insurance Society, Inc.

(5) Tax I.D. Number for CUMIS Insurance Society, Inc.: 39-0972608

(6) Tax I.D. Number for TURNKEYS + CO: 02-0558136

(7) PHYSICAL DELIVERY INSTRUCTIONS:

State Street Bank
DTC/New York Window
Attn: Robert Mendez
55 Water Street
Plaza Level - 3rd Floor
New York, NY 10041
Telephone: (617) 985-1914

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
RGA REINSURANCE COMPANY Principal Global Investors, LLC 711 High Street, G-34 Des Moines, Iowa 50392-0301 Attn: Sally D. Sorensen	Series F	U.S. \$6,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon
ABA # 021000018
Beneficiary Account: IOC 566
For credit to: RGA Re Private Placements PGI
Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
PPN [Q3946* AF0]; Prin. \$ _____ : Int.: \$ _____)

- (2) Payment notices, audit confirmations and related correspondence to:

RGA Reinsurance Company
c/o Principal Global Investors, LLC
Attn: Investment Accounting Fixed Income Securities
711 High Street, G-26
Des Moines, IA 50392-0800

- (3) Duplicate payment notices (only) to:

A copy sent electronically to:
Privateplacements2@exchange.principal.com

- (4) Compliance reporting information to:

RGA Reinsurance Company
Principal Global Investors, LLC
ATTN: Fixed Income Private Placements
711 High Street, G-26
Des Moines, IA 50392-0800

With a copy sent electronically to:

Privateplacements2@exchange.principal.com

- (5) Notes to be issued in the name of: HARE & CO
- (6) Tax I.D. Number for RGA Reinsurance Company: 43-1235868
- (7) India—Permanent Account Number.: AACCR6568B
- (8) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street - 3rd Floor Window A
New York, New York, 10286
Attn: RGA Re Private Placements LPGI
Anthony V. Saviano (212-635-6742)
Account # 0000303819

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
RELIASTAR LIFE INSURANCE COMPANY c/o ING Investment Management 5780 Powers Ferry Road NW, Suite 300 Atlanta, GA 30327-4347 Attn: Private Placements Fax: (770) 690-5342	Series D Series E	U.S. \$11,400,000 U.S. \$12,500,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon
ABA # 021000018

Account: IOC 566/INST'L CUSTODY (for scheduled principal and interest payments) or IOC 565/INST'L Custody (for all payments other than scheduled principal and interest) Re: [3.68% Series D Senior Notes due July 25, 2019] [4.27% Series E Senior Notes due July 25, 2022] (FOXTEL Management Pty Limited, PPN[Q3946* AD5][Q3946* AE3]; Prin. \$ ____: Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Operations/Settlements
Fax: (770) 690-5316

- (3) All other communications to:

ING Investment Management
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4347
Attn: Private Placements
Fax: (770) 690-5316

- (4) Notes to be issued in the name of: RELIASTAR LIFE INSURANCE COMPANY

- (5) Tax I.D. Number: 41-0451140

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street
Window A - 3rd Floor
New York, NY 10286

with a copy to:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Joyce Resnick
Email: joyce.resnick@inginvestment.com

Each cover letter accompanying the above Notes should set forth the name of the issuer, a description of the Notes (including the interest rate, maturity date and private placement number), and the name of each purchaser and its account number at The Bank of New York Mellon (RLIC/Acct. 187035; RLNY/Acct. 187038; ILIAC/Acct. 216101; MULIC/Acct. 178150) and the following:

The name, telephone number and e-mail address of a contact person at the Issuer of the Notes related to payments on the Notes is:

Name

Telephone Number

Email

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK	Series D	U.S. \$1,200,000
	Series E	U.S. \$1,700,000

c/o ING Investment Management
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Private Placements
Fax: (770) 690-5342

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon
ABA # 021000018

Account: IOC 566/INST'L CUSTODY (for scheduled principal and interest payments) or IOC 565/INST'L Custody (for all payments other than scheduled principal and interest) For credit to: RLNY/Acct. 187038

Re: [3.68% Series D Senior Notes due July 25, 2019] [4.27% Series E Senior Notes due July 25, 2022] (FOXTEL Management Pty Limited, PPN: [Q3946* AD5][Q3946* AE3]; Prin. \$ ____; Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Operations/Settlements
Fax: (770) 690-5316

- (3) All other communications to:

ING Investment Management
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4347
Attn: Private Placements
Fax: (770) 690-5316

- (4) Notes to be issued in the name of: RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK

(5) Tax I.D. Number: 53-0242530

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street
Window A - 3rd Floor
New York, NY 10286

with a copy to:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Joyce Resnick
Email: joyce.resnick@inginvestment.com

Each cover letter accompanying the above Notes should set forth the name of the issuer, a description of the Notes (including the interest rate, maturity date and private placement number), and the name of each purchaser and its account number at The Bank of New York Mellon (RLIC/Acct. 187035; RLNY/Acct. 187038; ILIAC/Acct. 216101; MULIC/Acct. 178150) and the following:

The name, telephone number and e-mail address of a contact person at the Issuer of the Notes related to payments on the Notes is:

Name

Telephone Number

Email

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ING LIFE INSURANCE AND ANNUITY COMPANY c/o ING Investment Management LLC 5780 Powers Ferry Road NW, Suite 300 Atlanta, GA 30327-4347 Attn: Private Placements Fax: (770) 690-5342	Series D Series E	U.S. \$6,400,000 U.S. \$4,800,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon

ABA # 021000018

Account: IOC 566/INST'L CUSTODY (for scheduled principal and interest payments) or IOC 565/INST'L Custody (for all payments other than scheduled principal and interest)

For credit to: ILIAC/Acct. 216101,

Re: [3.68% Series D Senior Notes due July 25, 2019] [4.27% Series E Senior Notes due July 25, 2022] (FOXTEL Management Pty Limited, PPN: [Q3946* AD5][Q3946* AE3]; Prin. \$____: Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

ING Investment Management LLC

5780 Powers Ferry Road NW, Suite 300

Atlanta, GA 30327-4347

Attn: Operations/Settlements

Fax: (770) 690-5316

- (3) All other communications to:

ING Investment Management

5780 Powers Ferry Road, NW, Suite 300

Atlanta, GA 30327-4347

Attn: Private Placements

Fax: (770) 690-5316

- (4) Notes to be issued in the name of: ING LIFE INSURANCE AND ANNUITY COMPANY

(5) Tax I.D. Number: 71-0294708

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street
Window A -3rd Floor
New York, NY 10286

with a copy to:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Joyce Resnick
Email: joyce.resnick@inginvestment.com

Each cover letter accompanying the above Notes should set forth the name of the issuer, a description of the Notes (including the interest rate, maturity date and private placement number), and the name of each purchaser and its account number at The Bank of New York Mellon (RLIC/Acct. 187035; RLNY/Acct. 187038; ILIAC/Acct. 216101; MULIC/Acct. 178150) and the following:

The name, telephone number and e-mail address of a contact person at the Issuer of the Notes related to payments on the Notes is:

Name

Telephone Number

Email

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
MIDWESTERN UNITED LIFE INSURANCE COMPANY c/o ING Investment Management LLC 5780 Powers Ferry Road NW, Suite 300 Atlanta, GA 30327-4347 Attn: Private Placements Fax: (770) 690-5342	Series E	U.S. \$1,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon

ABA # 021000018

Account: IOC 566/INST'L CUSTODY (for scheduled principal and interest payments) or IOC 565/INST'L Custody (for all payments other than scheduled principal and interest)

For credit to: MULIC/Acct. 178150

Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

ING Investment Management LLC

5780 Powers Ferry Road NW, Suite 300

Atlanta, GA 30327-4347

Attn: Operations/Settlements

Fax: (770) 690-5316

- (3) All other communications to:

ING Investment Management

5780 Powers Ferry Road, NW, Suite 300

Atlanta, GA 30327-4347

Attn: Private Placements

Fax: (770) 690-5316

- (4) Notes to be issued in the name of: MIDWESTERN UNITED LIFE INSURANCE COMPANY

(5) Tax I.D. Number: 35-0838945

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
One Wall Street
Window A - 3rd Floor
New York, NY 10286

with a copy to:

ING Investment Management LLC
5780 Powers Ferry Road NW, Suite 300
Atlanta, GA 30327-4347
Attn: Joyce Resnick
Email: joyce.resnick@inginvestment.com

Each cover letter accompanying the above Notes should set forth the name of the issuer, a description of the Notes (including the interest rate, maturity date and private placement number), and the name of each purchaser and its account number at The Bank of New York Mellon (RLIC/Acct. 187035; RLNY/Acct. 187038; ILIAC/Acct. 216101; MULIC/Acct. 178150) and the following:

The name, telephone number and e-mail address of a contact person at the Issuer of the Notes related to payments on the Notes is:

Name

Telephone Number

Email

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ING LIFE INSURANCE COMPANY LTD. c/o ING Investment Management 5780 Powers Ferry Road NW, Suite 300 Atlanta, GA 30327-4347 Attn: Private Placements Fax: (770) 690-5342	Series D Series E	U.S. \$3,000,000 U.S. \$3,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York Mellon

ABA # 021000018

A/C Ref. GLA 111566

Re: [3.68% Series D Senior Notes due July 25, 2019] [4.27% Series E Senior Notes due July 25, 2022] (FOXTEL Management Pty Limited, PPN: [Q3946* AD5][Q3946* AE3]; Prin. \$____: Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

ING Investment Management LLC

5780 Powers Ferry Road NW, Suite 300

Atlanta, GA 30327-4347

Attn: Operations/Settlements

Fax: (770) 690-5316

- (3) All other communications to:

ING Investment Management

5780 Powers Ferry Road, NW, Suite 300

Atlanta, GA 30327-4347

Attn: Private Placements

Fax: (770) 690-5316

- (4) Notes to be issued in the name of: HARE & CO.

- (5) Tax I.D. Number: 98-0235087

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Notes for **ING LIFE INSURANCE COMPANY LTD.** should be sent directly to:

The Bank of New York Mellon
One Wall Street
Window A – 3rd Floor
New York, NY 10286
Attn.: Anthony V. Saviano
Account No. 593258

with a copy to:

ING Investment Management LLC
5780 Powers Ferry Road NW
Suite 300
Atlanta, GA 30327-4347
Attn: Lindy Freitag
Email: linda.freitag@inginvestment.com

The cover letter accompanying the above Notes should set forth the name of the issuer, a description of the Notes (including the interest rate, maturity date and private placement number), and the name of each purchaser and its account number at The Bank of New York Mellon (ING Life Insurance General Account/Acct. 000593258).

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NATIONAL MUTUAL BENEFIT 6522 Grand Teton Plaza PO Box 1527 Madison, WI 53701-1527 Attention: Steven Reindl	Series E	U.S. \$1,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Marshall & Ilsley Trust Company
ABA # 075000051
DDA#27006
Account #: 89-M010-01-6
Attn: Income Dept. 8th Floor
Account Name: National Mutual Benefit
Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited,
PPN [Q3946* AE3]; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

Marshall & Ilsley
Acct #89-M010-01-6
Acct Name: National Mutual Benefit
11270 West Park Place
Suite 400
Milwaukee, WI 53224
Attention: Income Dept. 8th Floor
Attention: Michele Marcus
E-mail: Michele.marcus@micorp.com
Phone: (414) 815-3879

National Mutual Benefit
6522 Grand Teton Plaza
P. O. Box 1527
Madison, WI 53701-1527
Attention: Steve Reindl
Vice President of Operations

and

Prime Advisors, Inc.
100 Northfield Drive, 4th Floor
Windsor, CT 06095
Attention: Lewis Leon
SVP/Investment Accounting

(3) All other communications to:

Prime Advisors, Inc.
Redmond Ridge Corporate Center
22635 NE Marketplace Drive, Suite 160
Redmond, WA 98053
Attention: Scott Sell
Vice President

(4) Notes to be issued in the name of: MARSHALL & ILSLEY TRUST COMPANY CUSTODIAN FOR THE NATIONAL MUTUAL BENEFIT ACCOUNT FIXED INCOME

(5) Tax I.D. Number: 41-6370378

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Marshall & ILLSLEY Trust Company, N.A. as Trustee FBO
11270 W Park Place, Suite 400
Milwaukee, WI 53224

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
GROUP HEALTH COOPERATIVE 320 Westlake Ave. N., Suite 100 Seattle, WA 98109-5233 Attention: Bret Myers	Series D	U.S. \$1,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Mellon Trust of England. NA
 ABA # 011001234
 DDA# 0000125261
 Attn: MBS Income CC: 1253
 Account Name: GROUP HEALTH COOPERATIVE, PRIME ADVISORS
 Account Number: GHXF0003022
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Rachel M. Durkan
 BNY Mellon Asset Servicing
 One Mellon Center
 Room 151-1060
 Pittsburgh, PA 15258

Group Health Cooperative
 320 Westlake Ave., N., Suite 100
 Seattle, WA 98109-5233
 Attention: Bret Myers
 Assistant Treasurer

and

Prime Advisors, Inc.
 100 Northfield Drive, 4th Floor
 Windsor, CT 06095
 Attention: Lewis Leon
 SVP/Investment Accounting

(3) All other communications to:

Prime Advisors, Inc.
Redmond Ridge Corporate Center
22635 NE Marketplace Drive, Suite 160
Redmond, WA 98053
Attention: Scott Sell Vice President

(4) Notes to be issued in the name of: MAC & CO

(5) Tax I.D. Number: 91-0511770

(6) PHYSICAL DELIVERY INSTRUCTIONS:

BNY Mellon Securities Trust Co.
One Wall Street
3rd Floor- Receive Window C
New York, NY 10286
Reference: Group Health Cooperative, GHXF0003022

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY 720 East Wisconsin Avenue Milwaukee, WI 53202 Attention: Securities Department E-mail: privateinvest@northwesternmutual.com	Series D	U.S. \$47,500,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Please contact our Treasury & Investment Operations Department to securely obtain wire transfer instructions.

E-mail: payments@northwesternmutual.com
 Phone: (414) 665-1679

- (2) Payment notices, audit confirmations and related correspondence to:

The Northwestern Mutual Life Insurance Company
 720 East Wisconsin Avenue
 Milwaukee, WI 53202
 Attention: Securities Department
 E-mail: privateinvest@northwesternmutual.com

- (3) All other communications to:

The Northwestern Mutual Life Insurance Company
 720 East Wisconsin Avenue
 Milwaukee, WI 53202
 Attention: Securities Department
 E-mail: privateinvest@northwesternmutual.com

- (4) Notes to be issued in the name of: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

(5) Tax I.D. Number: 39-0509570

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Matthew E. Gabrys

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
NORTHWESTERN LONG TERM CARE INSURANCE COMPANY 720 East Wisconsin Avenue Milwaukee, WI 53202 Attention: Securities Department E-mail: privateinvest@northwesternmutual.com	Series D	U.S. \$2,500,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Please contact our Treasury & Investment Operations Department to securely obtain wire transfer instructions.

E-mail: payments@northwesternmutual.com
 Phone: (414) 665-1679

- (2) Payment notices, audit confirmations and related correspondence to:

Northwestern Long Term Care Insurance Company
 720 East Wisconsin Avenue
 Milwaukee, WI 53202 Attention: Securities Department
 E-mail: privateinvest@northwesternmutual.com

- (3) All other communications to:

Northwestern Mutual Life Insurance Company
 720 East Wisconsin Avenue
 Milwaukee, WI 53202
 Attention: Securities Department
 E-mail: privateinvest@northwesternmutual.com

- (4) Notes to be issued in the name of: NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

(5) Tax I.D. Number: 36-2258318

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Matthew E. Gabrys

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
JACKSON NATIONAL LIFE INSURANCE COMPANY One Corporate Way Lansing, MI 48951 Attn: Investment Accounting- Mark Stewart Phone: (517) 367-3190 Fax: (517) 706-5503	Series E	U.S. \$10,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York
 ABA # 021-000-18
 BNF: IOC566
 FBO: JNL A/C #187242
 Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

Jackson National Life Insurance Company
 C/O The Bank of New York
 Attn: P&I Department
 P. O. Box 19266
 Newark, NJ 07195
 Phone: (718) 315-3035
 Fax: (718) 315-3076

- (3) All other communications to:

a) PPM America, Inc.
 225 West Wacker Drive, Suite 1200
 Chicago, IL 60606-1228
 Attn: Private Placements- Brian Manczak
 Phone: (312) 634-7885
 Fax: (312) 634-0054
 e-mail: privatereporting@ppmamerica.com

b) Jackson National Life Insurance Company
One Corporate Way
Lansing, MI 48951
Attn: Investment Accounting- Mark Stewart
Phone: (517) 367-3190
Fax: (517) 706-5503

(4) Notes to be issued in the name of: JACKSON NATIONAL LIFE INSURANCE COMPANY

(5) Tax I.D. Number: 38-1659835

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York
Special Processing- Window A
One Wall Street, 3rd Floor
New York, NY 10286
Ref: JNL-JNL ELI, A/C #187242

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
UNUM LIFE INSURANCE COMPANY OF AMERICA Provident Investment Management, LLC Private Placements One Fountain Square Chattanooga, Tennessee 37402 Telephone: (423) 294-1172 Fax: (423) 209-3781 E-mail: PrivateCompliance@unum.com	Series E Series F	U.S. \$13,000,000 U.S. \$2,000,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

CUDD & CO
 c/o JPMorgan Chase Bank
 New York, NY
 ABA # 021-000-21
 SSG Private Income Processing
 A/C #900-9-000200
 Custodial Account No. G08287
 Re: [4.27% Series E Senior Notes due July 25, 2022] [4.42% Series F Senior Notes due July 25, 2024] (FOXTEL Management Pty Limited, PPN [Q3946* AE3] [Q3946* AF0]; Prin. \$ ____: Int.: \$ ____)

(2) All communications to:

Provident Investment Management, LLC
 Private Placements
 One Fountain Square
 Chattanooga, Tennessee 37402
 Telephone: (423) 294-1172
 Fax: (423) 209-3781
 With copies by e-mail to: PrivateCompliance@unum.com AND snbrown@unum.com

(3) Notes to be issued in the name of: CUDD & CO

(4) Tax I.D. Number: 13-6022143

(5) PHYSICAL DELIVERY INSTRUCTIONS:

JP Morgan Chase Bank, N.A.
4 Chase Metrotech Center
3rd Floor
Brooklyn, NY 11245-0001
Attn: Physical Receive Dept.
Account: G08287 (*Unum Life Insurance Company of America*)
Attn: Brian Cavanaugh (718) 242-0264

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE LINCOLN NATIONAL LIFE INSURANCE COMPANY	Series D	U.S. \$ 7,000,000
	Series D	U.S. \$ 3,000,000
Delaware Investment Advisers	Series D	U.S. \$2,000,000
2005 Market Street, Mail Stop 41-104	Series D	U.S. \$1,000,000
Philadelphia, PA 19103	Series E	U.S. \$5,000,000
Attn: Fixed Income Private Placements	Series E	U.S. \$5,000,000
Private Placement Fax: 215-255-1654	Series F	U.S. \$7,000,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, as follows:

Series D \$7,000,000 Note

The Bank of New York Mellon
 One Wall Street, New York, NY 10286
 ABA #: 021000018
 BNF Account #: IOC566
 Attn: The Bank of New York Mellon Private Placement P&I Dept.
 For Further Credit: The Lincoln National Life Insurance Company
 Further Credit A/C# 215736
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$ ____; Int.: \$ ____)

Series D \$3,000,000 Note

The Bank of New York Mellon
 One Wall Street, New York, NY 10286
 ABA #: 021000018
 BNF Account #: IOC566
 Attn: The Bank of New York Mellon Private Placement P&I Dept.
 For Further Credit: The Lincoln National Life Insurance Company Further Credit A/C# 215733
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$ ____; Int.: \$ ____)

Series D \$2,000,000 Note

The Bank of New York Mellon
One Wall Street, New York, NY 10286
ABA #: 021000018
BNF Account #: IOC566
Attn: The Bank of New York Mellon Private Placement P&I Dept.
For Further Credit: The Lincoln National Life Insurance Company
Further Credit A/C# 215726
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$ _____ : Int.: \$ _____)

Series D \$1,000,000 Note

The Bank of New York Mellon
One Wall Street, New York, NY 10286
ABA #: 021000018
BNF Account #: IOC566
Attn: The Bank of New York Mellon Private Placement P&I Dept.
For Further Credit: The Lincoln National Life Insurance Company
Further Credit A/C# 186228
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$ _____ : Int.: \$ _____)

Series E \$5,000,000 Note

The Bank of New York Mellon
One Wall Street, New York, NY 10286
ABA #: 021000018
BNF Account #: IOC566
Attn: The Bank of New York Mellon Private Placement P&I Dept.
For Further Credit: The Lincoln National Life Insurance Company
Further Credit A/C# 216625
Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited,
PPN [Q3946* AE3]; Prin. \$ _____ : Int.: \$ _____)

Series E \$5,000,000 Note

The Bank of New York Mellon
One Wall Street, New York, NY 10286
ABA #: 021000018
BNF Account #: IOC566
Attn: The Bank of New York Mellon Private Placement P&I Dept.

For Further Credit: The Lincoln National Life Insurance Company
Further Credit A/C# 215732
Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited,
PPN [Q3946* AE3]; Prin. \$ _____: Int.: \$ _____)

Series F \$7,000,000 Note

The Bank of New York Mellon
One Wall Street, New York, NY 10286
ABA #: 021000018
BNF Account #: IOC566
Attn: The Bank of New York Mellon Private Placement P&I Dept.
For Further Credit: The Lincoln National Life Insurance Company
Further Credit A/C# 215715
Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
PPN [Q3946* AF0]; Prin. \$ _____: Int.: \$ _____)

(2) Notice of Payment to:

Lincoln Financial Group
1300 South Clinton Street
Fort Wayne, IN 46802
Attn: K. Estep-Investment Accounting
Investment Accounting Fax: 260-455-2622

and

The Bank of New York Mellon
P.O. Box 19266
Newark, NJ 07195
Attn: Private Placement P&I Dept
Ref: Acct Name/Custody A/C#/ PPN#

(3) All communications to:

Delaware Investment Advisers
2005 Market Street, Mail Stop 41-104
Philadelphia, PA 19103
Attn: Fixed Income Private Placements
Private Placement Fax: 215-255-1654

- (4) Notes to be issued in the name of: THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
- (5) Tax I.D. Number: 35-0472300
- (6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York Mellon
Attn: Free Receive Department
Contact Person: Anthony Saviano, Dept. Manager (Telephone 212-635-6764)
One Wall Street, 3rd Floor
New York, NY 10286

(in cover letter reference note amt, acct name, and custody acct #)

Please fax copy of cover letter to: Karen Costa- The Bank of New York Mellon
Fax #: (315) 414-5017

With a copy to:

Lincoln Financial Group
Attn: Kathy Bireley
100 North Greene Street
Greensboro, North Carolina 27401
(kathlyn.bireley@lfg.com)

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY AEGON USA Investment Management, LLC Attn: Director of Private Placements MS 5335 4333 Edgewood Road, N.E. Cedar Rapids, IA 52499-5335	Series F	U.S. \$10,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank of New York
 1 Wall Street
 New York, NY 10286
 ABA #021000018
 GLA111-566
 FC: TFLIC- ESPS 10- 251624
 Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
 PPN [Q3946* AF0]; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

AEGON USA Investment Management, LLC
 Attn: Custody Operations- Privates MS 5335
 4333 Edgewood Road NE
 Cedar Rapids, IA 52499-5335
 E-mail: paymentnotifications@aegonusa.com

(3) All other communications to:

AEGON USA Investment Management, LLC
Attn: Director of Private Placements MS 5335
4333 Edgewood Road, N.E.
Cedar Rapids, IA 52499-5335
Phone: 319-355-2432
Fax: 319-355-2666

(4) Notes to be issued in the name of: TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

(5) Tax I.D. Number: 36-6071399

(6) PHYSICAL DELIVERY INSTRUCTIONS:

A.) A Signed copy of the Note **MUST** be sent to Custody Operations- Privates for verification via fax 888-652-8024 or email INVCustodyTeam@AEGONUSA.com

B.) Once the note has been verified, the Custody Bank instructions will be then relayed to you via fax or email, which will contain the Custody Vault address where the original certificates need to be sent.

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
TRANSAMERICA LIFE INSURANCE COMPANY AEGON USA Investment Management, LLC Attn: Director of Private Placements MS 5335 4333 Edgewood Road, N.E. Cedar Rapids, IA 52499-5335	Series E	U.S. \$10,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Citibank, N.A.
 111 Wall Street
 New York, NY 10043
 ABA #021000089
 DDA #36218394
 Custody Account No. 204911
 FC TLIC LPG0 07
 Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited,
 PPN [Q3946* AE3]; Prin. \$_____: Int.: \$_____)

- (2) Payment notices, audit confirmations and related correspondence to:

AEGON USA Investment Management, LLC
 Attn: Custody Operations- Privates MS 5335
 4333 Edgewood Road NE
 Cedar Rapids, IA 52499-5335
 E-mail: paymentnotifications@aegonusa.com

- (3) All other communications to:

AEGON USA Investment Management, LLC
 Attn: Director of Private Placements MS 5335
 4333 Edgewood Road, N.E.
 Cedar Rapids, IA 52499-5335
 Phone: 319-355-2432
 Fax: 319-355-2666

- (4) Notes to be issued in the name of: TRANSAMERICA LIFE INSURANCE COMPANY

(5) Tax I.D. Number: 39-0989781

(6) PHYSICAL DELIVERY INSTRUCTIONS:

A.) A Signed copy of the Note **MUST** be sent to Custody Operations- Privates for verification via fax 888-652-8024 or email INVCustodyTeam@AEGONUSA.com

B.) Once the note has been verified, the Custody Bank instructions will be then relayed to you via fax or email, which will contain the Custody Vault address where the original certificates need to be sent.

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY 6000 Westown Parkway West Des Moines, IA 50266 Attention: Investment Department-Private Placements Telephone: (888) 221-1234 Fax: (515) 221-0329 e-mail: PrivatePlacements@american-equity.com	Series E	U.S. \$8,000,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

State Street Bank & Trust Company
 ABA #011000028
 Account #00076026, Income Collection, BEV3
 Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$____; Int.: \$____)

(2) Payment notices, audit confirmations and related correspondence to:

American Equity Investment Life Insurance Co.
 Attn: Asset Administration
 6000 Westown Parkway
 West Des Moines, IA 50266
 Fax: (515) 221-0329

(3) All other communications to:

American Equity Investment Life Insurance Co.
 Attn: Asset Administration
 6000 Westown Parkway
 West Des Moines, IA 50266
 Fax: 515-221-0329

(4) Notes to be issued in the name of: CHIMEFISH & CO

(5) Tax I.D. Number: 65-1186810

(6) PHYSICAL DELIVERY INSTRUCTIONS:

DTCC/New York Window

Plaza Level

55 Water Street

New York, NY 10041

Attn: Robert Mendez

for the account of State Street, account # BEV3

CUSIP/PPN: Q3946* AE3

Security Description: _____

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY 1401 Livingston Lane Jackson, MS 39213 Attention: Investment Department	Series D	U.S. \$2,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

State Street Bank and Trust Company

Boston, MA 02101

ABA #011000028

For Further Credit to: Southern Farm Bureau Life Insurance Company

DDA #59848127

Account #EQ83

Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Southern Farm Bureau Life Insurance Company

1401 Livingston Lane

Jackson, MS 39213

Attention: Investment Department

- (3) All other communications to:

Investment Department
Southern Farm Bureau Life Insurance Company
P.O. Box 78
Jackson, MS 39205
Attn: Investment Department

or by overnight delivery to:

1401 Livingston Lane
Jackson, MS 39213

Contact Person:

David Divine
Telephone (601) 981-5332 extension 1010
Facsimile (601) 981-3605
ddivine@sfbli.com

Shirley Anderson
Telephone (601) 981-5332 extension 1351
sanderson@sfbli.com

- (4) Notes to be issued in the name of: SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY
(5) Tax I.D. Number: 64-0283583
(6) PHYSICAL DELIVERY INSTRUCTIONS:

Shirley Anderson
Southern Farm Bureau Life Insurance Company
1401 Livingston Lane
Jackson, MS 39213

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
METLIFE ALICO LIFE INSURANCE K.K. 4-1-3, Taihei, Sumida-ku Tokyo, 130-0012 JAPAN	Series G	A \$100,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank Name: Citibank N.A., Sydney
 BIC Code: CITIAU2X
 For account of: Citibank, NA., Hong Kong
 A/C No.: 0912018008
 Favoring: METLIFE AL INV SPFA PP
 A/C No.: 1162525006
 Re: 7.04% Series G Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited,
 PPN [Q3946* AG8]; Prin. \$ ____; Int.: \$ ____)

- (2) All notices and communications to:

Alico Asset Management Corp. (Japan)
 Administration Department
 ARCA East 7F, 3-2-1 Kinshi
 Attention: Administration Dept. Manager
 E-mail: saura@metlife.co.jp

With a copy to:

MetLife Investment Advisors Company, LLC
 Investments, Private Placements
 P.O. Box 1902
 10 Park Avenue
 Morristown, New Jersey 07962-1902
 Attention: Director
 Facsimile: (973) 355-4250

With another copy OTHER than with respect to deliveries of financial statements to:

MetLife Investment Advisors Company, LLC
P.O. Box 1902
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Chief Counsel-Securities Investments (PRIV)
Email: sec_invest_law@metlife.com

(3) Notes to be issued in the name of: METLIFE ALICO LIFE INSURANCE K.K.

(4) Tax I.D. Number: 98-1037269 (USA) and 00661996 (Japan)

US Passport Number: 43/M/359828/DTTP

(5) PHYSICAL DELIVERY INSTRUCTIONS:

MetLife Investment Advisors Company, LLC
Securities Investments, Law Department
P.O. Box 1902
10 Park Avenue
Morristown, New Jersey 07962-1902
Attention: Ana da Costa, Esq.

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SUN LIFE ASSURANCE COMPANY OF CANADA One Sun Life Executive Park/SC1303 Wellesley Hills, MA 02481 Attn: Linda R. Guillette	Series D	U.S. \$2,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Citibank, N.A.
 ABA No.: 021000089
 Account No.: 36112805
 For Further Credit
 Account Name: Sun Life of Canada Trust
 Account No.: 199541
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Sun Life Financial
 Attn: Investments/Private Fixed Income- SC302D26
 227 King Street South
 Waterloo, ON N2J 4C5 Canada

- (3) All other communications to:

Sun Capital Advisers LLC
 Attn: Investments/Private Fixed Income/ SC1303
 One Sun Life Executive Park
 Wellesley Hills, MA 02481

- (4) Notes to be issued in the name of: SUN LIFE ASSURANCE COMPANY OF CANADA

- (5) Tax I.D. Number: 38-1082080

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Sun Life Assurance Company of Canada
One Sun Life Executive Park/SC1303
Wellesley Hills, MA 02481
Attn: Linda R. Guillette

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK	SeriesD	U.S. \$7,000,000
One Sun Life Executive Park/SC1303 Wellesley Hills, MA 02481 Attn: Linda R. Guillette	SeriesD	U.S. \$6,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

For Series D \$7,000,000 Note

Mellon Bank of New England
 ABA: 011001234
 DDA: 125261
 Attention: MBS Income CC1253
 Account Name: Sun Life- New York
 Account No. KBLF2221002
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$ ____; Int.: \$ ____)

For Series D \$6,000,000 Note

Mellon Bank of New England
 ABA: 011001234
 DDA: 125261
 Attention: MBS Income CC1253
 Account Name: Sun Life- New York
 Account No. KBLF0006002
 Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
 PPN [Q3946* AD5]; Prin. \$ ____; Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

Sun Life Financial
Attn: Investments/Private Fixed Income- SC302D26
227 King Street South
Waterloo, ON N2J 4C5 Canada

- (3) All other communications to:

Sun Capital Advisers LLC
Attn: Investments/Private Fixed Income/ SC1303
One Sun Life Executive Park
Wellesley Hills, MA 02481

- (4) Notes to be issued in the name of: SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK

- (5) Tax I.D. Number: 04-2845273

- (6) PHYSICAL DELIVERY INSTRUCTIONS:

Sun Life Assurance Company of Canada
One Sun Life Executive Park/SC1301
Wellesley Hills, MA 02481
Attn: Linda R. Guillette

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE OHIO NATIONAL LIFE INSURANCE COMPANY	Series E	U.S. \$1,000,000
P.O. Box 237 Cincinnati, OH 45201	Series F	U.S. \$2,000,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

U. S. Bank N.A.
ABA #042-000013
5th & Walnut Streets
Cincinnati, OH 45202

For Credit to The Ohio National Life Insurance Company's Account No. 910-275-7

Re: [4.27% Series E Senior Notes due July 25, 2022] [4.42% Series F Senior Notes due July 25, 2024] (FOXTEL Management Pty Limited, PPN [Q3946* AE3] [Q3946* AF0]; Prin. \$____: Int.: \$____)

(2) Payment notices, audit confirmations and related correspondence to:

The Ohio National Life Insurance Company
P. O. Box 237
Cincinnati, OH 45201

(3) Notes to be issued in the name of: THE OHIO NATIONAL LIFE INSURANCE COMPANY

(4) Tax I.D. Number: 31-0397080

(5) PHYSICAL DELIVERY INSTRUCTIONS:

The Ohio National Life Insurance Company
P. O. Box 237
Cincinnati, OH 45201

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA 7 Hanover Square New York, NY 10004-2616 Attn: Gwendolyn Foster Investment Department 9-A Fax: (212) 919-2658 E-mail address: gwen.foster@glic.com	Series E	U.S. \$15,000,000

(1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

JP Morgan Chase
 FED ABA #021000021
 Chase/NYC/CTR/BNF
 A/C 900-9-000200
 Reference A/C #G05978, Guardian Life
 Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited,
 PPN [Q3946* AE3]; Prin. \$ _____; Int.: \$ _____)

(2) All Communications and Notices to:

The Guardian Life Insurance Company of America
 7 Hanover Square
 New York, NY 10004-2616
 Attn: Gwendolyn Foster
 Investment Department 9-A
 Fax: (212) 919-2658
 E-mail address: gwen.foster@glic.com

(3) Notes to be issued in the name of: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

(4) Tax I.D. Number: 13-5123390

(5) PHYSICAL DELIVERY INSTRUCTIONS:

JP Morgan Chase Bank, N.A.
4 Chase Metrotech Center- 3rd Floor
Brooklyn, NY 11245-0001
Reference A/C #G05978, Guardian Life

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA 730 Third Avenue New York, NY 10017	Series E Series F	U.S. \$75,000,000 U.S. \$ 50,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

JP Morgan Chase
 ABA #021-0000-21
 Account Number: 900-9-000200
 Account Name: Teachers Insurance and Annuity Association of America
 For Further Credit to the Account Number: G07040
 Re: [4.27% Series E Senior Notes due July 25, 2022] [4.42% Series F Senior Notes due July, 25 2024] (FOXTEL Management Pty Limited, PPN [Q3946* AE3] [Q3946* AF0];
 Prin. \$ _____ : Int.: \$ _____)

- (2) Payment notices, audit confirmations and related correspondence to:

Teachers Insurance and Annuity Association of America
 730 Third Avenue--3rd Floor
 New York, New York 10017
 Attention: Securities Accounting Division
 Telephone: (212) 916-5504
 Facsimile: (212) 916-4699

with a copy to:

JPMorgan Chase Bank, N.A.
 P.O. Box 35308
 Newark, New Jersey 07101

Contemporaneous written confirmation of any electronic funds transfer shall be sent to the above address setting forth (1) the full name, private placement number, interest rate and maturity date of the Senior Secured Notes, (2) allocation of payment between principal, interest, Make-Whole Amount, other premium or any special payment and (3) the name and address of the bank from which such electronic funds transfer was sent.

- (3) All other communications to:

All notices and communications, including notices with respect to payments and prepayments, shall be delivered by e-mail and by physical delivery via overnight courier to:

Teachers Insurance and Annuity Association of America
8500 Andrew Carnegie Blvd
Charlotte, North Carolina 28262
Attention: Private Placements, Global Private Markets
Ho Young Lee, Managing Director
Telephone: (704) 988-4349
Facsimile: (704) 988-4916
E-mail: hlee@tiaacref.org

- (4) Notes to be issued in the name of: TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

- (5) Tax I.D. Number: 13-1624203

- (6) PHYSICAL DELIVERY INSTRUCTIONS:

JP Morgan Chase Bank, N.A.
4 Chase Metrotech Center-
1st Floor, Window 5
Brooklyn, NY 11245-0001
Attention: Physical Receive Department
For TIAA A/C #G07040

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
EMERGENCY SERVICES SUPERANNUATION SCHEME STATE SUPERANNUATION FUND (ESWAEC) c/o National Nominees Limited GPO 1406 Melbourne, Victoria 3001 Australia	Series D	U.S. \$1,800,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank Name: Citibank, N.A., New York
BIC code: CITIUS33
ABA Number: 021-000-089
CHIPS UID: 003 715
Account Number: 109 20 636
Account Name: National Australia Bank Limited (Head Office) Melbourne
(BIC: NATAAU33033)
In favour of: National Custodian Services (BIC NATAAU3303X)
A/C ESWAEC A/C 13787-18
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(3) All other communications to:

Manager DAI
NAB Asset Servicing
Level 9, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(4) Notes to be issued in the name of: NATIONAL NOMINEES LIMITED ANF EMERGENCY SERVICES SUPERANNUATION SCHEME
STATE SUPERANNUATION FUND (ESWAEC)

(5) Tax I.D. Number: 86512292

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
EMERGENCY SERVICES SUPERANNUATION SCHEME (ESIACP) c/o National Nominees Ltd. GPO Box 1406 Melbourne, Victoria 3001 Australia	Series D	U.S. \$1,600,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank Name: Citibank, N.A., New York
BIC code: CITIUS33
ABA Number: 021-000-089
CHIPS UID: 003 715
Account Number: 109 20 636
Account Name: National Australia Bank Limited (Head Office) Melbourne
(BIC: NATAAU33033)
In favour of: National Custodian Services (BIC NATAAU3303X)
A/C ESIACP A/C 13786-11
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$ ____; Int.: \$ ____)

- (2) Payment notices, audit confirmations and related correspondence to:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(3) All other communications to:

Manager DAI
NAB Asset Servicing
Level 9, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(4) Notes to be issued in the name of: NATIONAL NOMINEES LIMITED ANF EMERGENCY SERVICES SUPERANNUATION SCHEME (ESIACP)

(5) Tax I.D. Number: 86512292

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
TRANSPORT ACCIDENT COMMISSION (TAWAEC) c/o National Nominees Ltd. GPO Box 1406 Melbourne, Victoria 3001 Australia	Series D	U.S. \$2,800,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank Name: Citibank, N.A., New York
BIC code: CITIUS33
ABA Number: 021-000-089
CHIPS UID: 003 715
Account Number: 109 20 636
Account Name: National Australia Bank Limited (Head Office) Melbourne
(BIC: NATAAU33033)
In favour of: National Custodian Services (BIC NATAAU3303X)
A/C TAWAEC 13782-16
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Manager DAI
NAB Asset Servicing
Level 9, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(3) All other communications to:

Manager DAI
NAB Asset Servicing
Level 9, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(4) Notes to be issued in the name of: NATIONAL NOMINEES LIMITED ANF TRANSPORT ACCIDENT COMMISSION (TAWAEC)

(5) Tax I.D. Number: 86512292

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
VICTORIAN MANAGED INSURANCE AUTHORITY (VMLMCP) c/o National Nominees Ltd. GPO Box 1406 Melbourne, Victoria 3001 Australia	Series D	U.S. \$600,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank Name: Citibank, N.A., New York
BIC code: CITIUS33
ABA Number: 021-000-089
CHIPS UID: 003 715
Account Number: 109 20 636
Account Name: National Australia Bank Limited (Head Office) Melbourne
(BIC: NATAAU33033)
In favour of: National Custodian Services (BIC NATAAU3303X)
A/C VMLMCP 13783-12
Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Manager DAI
NAB Asset Servicing
Level 9, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(3) All other communications to:

Manager DAI
NAB Asset Servicing
Level 9, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(4) Notes to be issued in the name of: NATIONAL NOMINEES LIMITED ANF VICTORIAN MANAGED INSURANCE AUTHORITY (VMLMCP)

(5) Tax I.D. Number: 86512292

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
VICTORIAN WORKCOVER AUTHORITY (AAWAEC) c/o National Nominees Ltd. GPO Box 1406 Melbourne, Victoria 3001 Australia	Series D	U.S. \$3,200,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Bank Name: Citibank, N.A., New York

BIC code: CITIUS33

ABA Number: 021-000-089

CHIPS UID: 003 715

Account Number: 109 20 636

Account Name: National Australia Bank Limited (Head Office) Melbourne
(BIC: NATAAU33033)

In favour of: National Custodian Services (BIC NATAAU3303X)
A/C AAWAEC A/C 13788-14

Re: 3.68% Series D Senior Notes due July 25, 2019 (FOXTEL Management Pty Limited,
PPN [Q3946* AD5]; Prin. \$____; Int.: \$____)

- (2) Payment notices, audit confirmations and related correspondence to:

Manager DAI

NAB Asset Servicing

Level 10, 500 Bourke Street

Melbourne, Victoria 3000

Australia

Attention: Kim Thornton

E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(3) All other communications to:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton
E-mail: Asset.Servicing.DAI.Processing@nab.com.au

(4) Notes to be issued in the name of: NATIONAL NOMINEES LIMITED ANF VICTORIAN WORKCOVER AUTHORITY (AAWAEC)

(5) Tax I.D. Number: 86512292

(6) PHYSICAL DELIVERY INSTRUCTIONS:

Manager DAI
NAB Asset Servicing
Level 10, 500 Bourke Street
Melbourne, Victoria 3000
Australia
Attention: Kim Thornton

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
AMERICO FINANCIAL LIFE AND ANNUITY - U6F1	Series E	U.S. \$4,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

DTC/New York Window
55 Water St
Plaza Level - 3rd Floor
New York, NY 10041

FAO: State Street

Ref: Americo Financial Life and Annuity - U6F1

Re: 4.27% Series E Senior Notes due July 25, 2022 (FOXTEL Management Pty Limited, PPN [Q3946* AE3]; Prin. \$ _____; Int.: \$ _____)

- (2) Payment notices, audit confirmations and related correspondence to:

DTC/New York Window
55 Water St
Plaza Level - 3rd Floor
New York, NY 10041

FAO: State Street

Ref: Americo Financial Life and Annuity - U6F1

- (3) All other communications to:

DTC/New York Window
55 Water St
Plaza Level - 3rd Floor
New York, NY 10041

FAO: State Street

Ref: Americo Financial Life and Annuity - U6F1

- (4) Notes to be issued in the name of: POND LAUNCH & CO

- (5) Nominee Tax I.D. Number: 04-3475411

- (6) Physical Delivery Instructions:
DTC/New York Window
55 Water St
Plaza Level - 3rd Floor
New York, NY 10041
FAO: State Street
Ref: Amerigo Financial Life and Annuity - U6F1

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
AVIVA LIFE AND ANNUITY COMPANY OF NEW YORK c/o Aviva Investors North America, Inc. Attn: Private Fixed Income Dept. 215 10th Street, Suite 1000 Des Moines, IA 50309	Series F	\$3,500,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York
New York, NY
ABA #021000018
Credit A/C# GLA111566
A/C Name: BKL-SPDA
Custody Account Name: Aviva Life and Annuity Co of NY
Custody Account Number: 014784
Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
PPN [Q3946* AF0]; Prin. \$_____: Int.: \$_____)

- (2) All notices and communications to:

Aviva Life and Annuity Company of New York
c/o Aviva Investors North America, Inc.
Attn: Private Fixed Income Dept.
215 10th Street, Suite 1000
Des Moines, IA 50309
privateplacements@avivainvestors.com

- (4) Notes to be issued in the name of: HARE & CO.

- (5) Tax I.D. Number: 13-1970218 (Aviva Life and Annuity Company of New York) 13-6062916 (Hare & Co.)

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York
One Wall Street, 3rd Floor
Window A
New York, NY 10286
FAO: Aviva Life and Annuity Company of New York, A/C #014784

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
AVIVA LIFE AND ANNUITY COMPANY c/o Aviva Investors North America, Inc. Attn: Private Fixed Income Dept. 215 10th Street, Suite 1000 Des Moines, IA 50309	Series F	\$5,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York
 New York, NY
 ABA #021000018
 Credit A/C# GLA111566
 A/C Name: Institutional Custody Insurance Division
 Custody Account Name: ALAC Closed Block- Life
 Custody Account Number: 178014
 Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
 PPN [Q3946* AF0]; Prin. \$_____: Int.: \$_____)

- (2) All notices and communications to:

Aviva Life and Annuity Company
 c/o Aviva Investors North America, Inc.
 Attn: Private Fixed Income Dept.
 215 10th Street, Suite 1000
 Des Moines, IA 50309
 privateplacements@avivainvestors.com

- (4) Notes to be issued in the name of: HARE & CO.

- (5) Tax I.D. Number: 42-0175020 (Aviva Life and Annuity Company) 13-6062916 (Hare & Co.)

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York
One Wall Street, 3rd Floor
Window A
New York, NY 10286
FAO: ALAC Closed Block-Life, A/C #178014

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
AVIVA LIFE AND ANNUITY COMPANY c/o Aviva Investors North America, Inc. Attn: Private Fixed Income Dept. 215 10th Street, Suite 1000 Des Moines, IA 50309	Series F	\$10,000,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York
New York, NY
ABA #021000018
Credit A/C# GLA111566
A/C Name: Institutional Custody Insurance Division
Custody Account Name: Aviva Life and Annuity Co-Annuity
Custody Account Number: 010048
Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
PPN [Q3946* AF0]; Prin. \$____: Int.: \$____)

- (2) All notices and communications to:

Aviva Life and Annuity Company
c/o Aviva Investors North America, Inc.
Attn: Private Fixed Income Dept.
215 10th Street, Suite 1000
Des Moines, IA 50309
privateplacements@avivainvestors.com

- (4) Notes to be issued in the name of: HARE & CO.
- (5) Tax I.D. Number: 42-0175020 (Aviva Life and Annuity Company)
13-6062916 (Hare & Co.)

(6) PHYSICAL DELIVERY INSTRUCTIONS:

The Bank of New York
One Wall Street, 3rd Floor
Window A
New York, NY 10286
FAO: Aviva Life and Annuity Co-Annuity, A/C#010048

NAME AND ADDRESS OF PURCHASER	SERIES OF NOTE(S)	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
ROYAL NEIGHBORS OF AMERICA c/o Aviva Investors North America, Inc. Attn: Private Fixed Income Dept. 215 10th Street, Suite 1000 Des Moines, IA 50309	Series F	\$1,500,000

- (1) All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN #, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

Northern Chgo/Trust
ABA 071000152
Credit Wire Account 5186041000
F/C 26-73769/Royal Neighbors
Re: 4.42% Series F Senior Notes due July 25, 2024 (FOXTEL Management Pty Limited,
PPN [Q3946* AF0]; Prin. \$ _____ : Int.: \$ _____)

- (2) Payment notices, audit confirmations and related correspondence to:

Ell & Co, c/o Northern Trust Co.
PO Box 92395, Chicago, IL 60675

With copy to:

PREFERRED REMITTANCE: privateplacements@avivainvestors.com

Royal Neighbors of America
c/o Aviva Investors North America, Inc.
Attn: Private Fixed Income
215 10th Street, Suite 1000
Des Moines, IA 50309

- (3) All other communications to:
PREFERRED REMITTANCE: privateplacements@avivainvestors.com
Royal Neighbors of America
c/o Aviva Investors North America, Inc.
Attn: Private Fixed Income
215 10th Street, Suite 1000
Des Moines, IA 50309
- (4) Notes to be issued in the name of: ELL & CO
- (5) Tax I.D. Number: 36-1711198 (Royal Neighbors of America)
36-6412623 (ELL & CO)
- (6) PHYSICAL DELIVERY INSTRUCTIONS:
Northern Trust Co
Trade Securities Processing, C1N
801 South Canal Street
Chicago, IL 60607

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“2009 USPP Note Agreement” means the Note and Guarantee Agreement, dated as of September 24, 2009 (as amended on April 2, 2012 pursuant to (i) Waiver, Consent and Amendment Number 1 thereto and (ii) Notice of Security Release and Amendment Number 2 thereto), among the Obligor, the Partners and the purchasers set forth in Schedule A thereto, as may be further amended, restated, supplemented or otherwise modified from time to time.

“Additional Covenant” is defined in Section 9.11(a).

“Affected Noteholder” is defined in Section 10.4.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person and, with respect to the FOXTEL Group, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of any Member or any corporation or partnership of which any Member beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“AML / Anti-Terrorism Laws” is defined in Section 5.16(c).

“Artist Services” means Artist Services Cable Management Pty Limited (ABN 97 072 725 289).

“ASIC” means the Australian Securities and Investment Commission.

“Associate” means an associate of the Obligor or either Partner within the meaning of Section 128F(9) of the Australian Tax Act.

“AUSTAR” means AUSTAR United Communications Limited.

“AUSTAR Acquisition” means the acquisition by FOXTEL Management of all of the issued shares in AUSTAR from Liberty Global, Inc.

“Australia” means the Commonwealth of Australia.

“Australian Dollars” and **“AS”** means lawful money of Australia.

“Australian Tax Act” means the Australian Income Tax Assessment Act 1936 and the Australia Income Tax Assessment Act 1997, as the context requires, as amended, and a reference to any section of the Australian Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Australian Income Tax Assessment Act 1997 and any other Act setting the rate of income tax payable and any regulation promulgated thereunder.

“**Blocked Person**” is defined in Section 5.16(a).

“**Business**” means the business, conducted from time to time by the FOXTEL Group, of video entertainment and related services for delivery on any form of technology for which subscribers must pay a fee (other than in respect of the retransmitted Australian national and commercial television broadcast services), including the right to bundle such services with third party telecommunications services, provide access to FOXTEL Group STUs to access seekers and make the services available on a wholesale basis including to infrastructure operators.

“**Business Day**” means (a) for the purposes of Section 8.10(a) only, with respect to calculations relating to any U.S. Dollar Note, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, (b) for the purposes of Section 8.10(a) only, with respect to calculations relating to any Series G Note, any day other than a Saturday, a Sunday or a day on which commercial banks in Sydney, New South Wales, Australia are required or authorized to be closed, and (c) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York, or Sydney, New South Wales, Australia are required or authorized to be closed.

“**Capital Lease**” means, at any time, (a) a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with Relevant GAAP and (b) any “finance lease” (as defined in the “accounting standards” specified in the Corporations Act).

“**Change of Control**” means, and shall be deemed to have occurred at any time that, the Shareholders (or any of them) cease to legally and beneficially own and control (directly or indirectly) at least 60% of the FOXTEL Group.

“**Closing**” is defined in Section 3.

“**CMH**” means Consolidated Media Holdings Limited (ABN 52 009 071 167), a company registered under the laws of Australia.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“**Company**” is defined in the first paragraph of this Agreement.

“**Confidential Information**” is defined in Section 22.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Corporations Act**” means the Australian Corporations Act 2001 (Cwlth), as amended.

“**CTDP**” means the Common Terms Deed Poll, dated as of April 10, 2012, among the Company and the guarantors listed in Schedule 1 thereto, as amended, varied or restated from time to time, together with any agreement renewing or replacing the foregoing.

“**Customer Services**” means Customer Services Pty Limited (ACN 069 272 117).

“**Default**” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“**Default Rate**” means, with respect to any Note, that rate of interest that is the greater of (i) 2.00% per annum above the rate of interest stated in clause (a) of the first paragraph of such Note and (ii) 2.00% over the rate of interest publicly announced by (x) in the case of any U.S. Dollar Note, JPMorgan Chase Bank, N.A. in New York, New York as its “base” or “prime” rate and (y) in the case of any Series G Note, Commonwealth Bank of Australia in Sydney, Australia as its “reference rate”.

“**Disposition**” is defined in Section 10.5.

“**Distribution**” means, with respect to any Person, any payment or distribution (in cash or in kind), including by interest, dividend, return of capital, repayment or redemption, to or for the benefit of any Shareholder, Partner or “associate” (as defined in section 318 of the Australian Tax Act) of such Person (other than any Member), but excluding any payment made as consideration for the supply of goods or services by any Shareholder, Partner or “associate” (as defined above) which is not made in excess of a payment on arm’s length commercial terms.

“**EBITDA**” means, with respect to any period, the total amount of consolidated earnings of the FOXTEL Group, in each case before: (a) interest, (b) (i) tax, including GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding and (ii) income, stamp or transaction duty, tax or charge, in either case which is assessed, levied, imposed or collected by any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, including any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above, (c) depreciation and amortisation, (d) any amounts relating to the impairment of assets, (e) items of income or expense which are considered to be outside the ordinary course of business and are regarded as “exceptional items” or “significant items” (or another term in place of that term) in the accounts, and (f) fair value adjustments of financial derivatives that are not effective hedging instruments under Relevant GAAP.

“**Environmental Laws**” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“**ERISA**” means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Obligor under section 414 of the Code.

“**Excluded Tax**” means, with respect to any holder of a Note, any Tax imposed by any jurisdiction on the net income of such holder as a consequence of such holder being a resident of or organized or doing business in such jurisdiction (but not any Tax which is imposed as a result of such holder being considered a resident of or organized or doing business in such jurisdiction solely as a result of such holder holding a Note with the benefit of the guarantee of the Guarantor and the Partners under this Agreement or being a party to this Agreement or any transaction contemplated by this Agreement or enforcing its rights hereunder or under any Note).

“**Event of Default**” is defined in Section 11.

“**Facility Agreement**” means (i) the CTDTP, (ii) any facility agreement or other similar agreement issued pursuant to, and with the benefit of, the terms of the CTDTP and providing for financing in a principal or notional amount of at least A\$50,000,000 (or its equivalent in the relevant currency of payment) and (iii) at any time that the CTDTP is not outstanding, the principal bank facility of the FOXTEL Group.

“**Finance Document**” means:

- (a) this Agreement;
- (b) the Notes;
- (c) each Member Guarantee; and
- (d) any document or agreement entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in a clause above.

“**Financial Report**” means, with respect to any Person, the following financial statements and information with respect to such Person: (a) a statement of financial performance, (b) a statement of financial position and (c) a statement of cashflows.

“**Fitch**” means Fitch, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

“**FOXTEL Cable**” means FOXTEL Cable Television Pty Limited (ACN 069 008 797).

“**FOXTEL Group**” means:

- (a) the FOXTEL Partnership;
- (b) the FOXTEL Television Partnership;
- (c) the Obligor; (d) FOXTEL Cable;
- (e) Customer Services; and
- (f) each Wholly-Owned Subsidiary of each of the entities described at paragraphs (a) to (e) above.

“**FOXTEL Partnership**” means the partnership constituted by the FOXTEL Partnership Agreement.

“**FOXTEL Partnership Agreement**” means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and the Company as amended by the deed dated 21 November 2002 between the Company, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, CMH, each Partner, Telstra, Telstra Multimedia and News, and as further amended, restated, supplemented or otherwise modified from time to time.

“**FOXTEL Television Partnership**” means the partnership constituted by the FOXTEL Television Partnership Agreement.

“**FOXTEL Television Partnership Agreement**” means the partnership agreement dated 14 April 1997 as amended and restated on 3 December 1998 between each Partner and FOXTEL Cable as amended by the deed dated 21 November 2002 between the Company, Customer Services, FOXTEL Cable, News Pay TV Pty Limited, PBL Pay TV Pty Limited, CMH, each Partner, Telstra, Telstra Multimedia and News, and as further amended, restated, supplemented or otherwise modified from time to time.

“**Governmental Authority**” means

- (a) the government of
 - (i) the United States of America or Australia or any State or other political subdivision of either thereof, or
 - (ii) any other jurisdiction in which the Obligor or any Partner conducts all or any part of its business, or which asserts jurisdiction over any properties of any Transaction Party or any Member, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“**Group Structure Diagram**” means the group structure diagram set forth in Schedule 4.9(b), as amended or updated by the delivery of a new diagram pursuant to Section 7.1(h).

“**GST**” means the goods and services tax levied under the New Tax System (Goods and Services Tax) Act 1999 (Cwth), as amended.

“**Guaranteed Obligations**” is defined in Section 14.1.

“**Guarantor**” is defined in the first paragraph of this Agreement.

“**Guaranty**” means any guaranty, suretyship, letter of credit, letter of comfort or any other obligation (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of, (b) to indemnify any Person against the consequences of default in the payment of or (c) to be responsible for, any debt or monetary liability of another person or the assumption of any responsibility or obligation in respect of the insolvency or the financial condition of any other Person.

“**Hazardous Material**” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“**holder**” means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 15.1.

“**Indebtedness**” means any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill of exchange, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) Guaranty;
- (d) Swap Agreement;
- (e) finance or capital lease;

(f) agreement for the deferral (of at least 120 days) of a purchase price or other payment in relation to the acquisition of any asset or service;

(g) obligation to deliver goods or provide services paid for in advance by any financier; or

(h) agreement for the payment of capital or premium on the redemption of any preference shares;

and irrespective of whether the debt or liability (i) is present or future, (ii) is actual, prospective, contingent or otherwise, (iii) is at any time ascertained or unascertained, (iv) is owed or incurred alone or severally or jointly or both with any other Person or (v) comprises any combination of the above.

“Institutional Investor” means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

“Intellectual Property” means (a) all trade secrets, confidential information, know-how, patents, trade marks, designs, service marks, business names, copyright and computer programs which are material to the Business, and (b) any interest (including by way of license) in any of the foregoing, in each case whether registered or not and including all applications for same.

“Interest Expenses” means interest and amounts in the nature of, or having a similar purpose or effect to, interest and includes (a) discount on a bill of exchange (as defined in the Bills of Exchange Act 1909 (Cwth)) or other instrument, (b) fees and amounts incurred on a regular or recurring basis, such as line fees, and (c) capitalized amounts of the same or similar name to the foregoing.

“Interest Service” means, with respect to any period, without double counting, an amount equal to (a) the aggregate amount of all Interest Expenses, rentals, any other recurrent payments of a similar nature (including gross-ups and increased cost payments) and any other recurring fees, costs and expenses paid during such period, in each case under or in relation to any Indebtedness of any Member, but which shall not include any such payments in respect of transactions between or among Members, plus or minus (b) the net amount of any difference between payments by or to any Members under any Swap Agreement relating to interest rates during such period.

“Investment Company Act” means the United States Investment Company Act of 1940, as amended.

“**Lien**” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements); provided that, for the avoidance of doubt, “Lien” shall exclude any interest that is a “security interest” for the purposes of section 12(3) of the PPSA if such security interest does not in substance secure payment of money or performance of an obligation.

“**Make-Whole Amount**” is defined in Section 8.10(a).

“**Material**” means material in relation to the business, operations, affairs, financial condition, assets or properties of the FOXTEL Group.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the FOXTEL Group; or (b) the ability of any Transaction Party to perform its obligations under the Finance Documents to which it is a party; or (c) the validity or enforceability of any Finance Document; or (d) the rights and remedies of any holder of a Note under any Finance Document.

“**Member**” means any Person listed in any of clauses (a) through (f) of the defined term “FOXTEL Group”.

“**Member Guarantee**” means a guarantee of a Member Guarantor of the obligations of the Company under this Agreement and the Notes, substantially in the form of Exhibit 9.8.

“**Member Guarantor**” means, as of the date of Closing, each Member identified as a “Member Guarantor” on Schedule 5.4 and, thereafter, each other Member that has executed and delivered a Member Guarantee pursuant to Section 9.8, in each case that has not been released from its Member Guarantee pursuant to Section 9.8(c).

“**Memorandum**” is defined in Section 5.3.

“**Modified Make-Whole Amount**” is defined in Section 8.10(a).

“**Moody’s**” means Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, together with any relevant local affiliates thereof and any successor to any of the foregoing.

“**Multiemployer Plan**” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto.

“**News**” means News Australia Pty Limited (ABN 40 007 910 330).

“**Non-U.S. Plan**” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by any Member primarily for the benefit of employees of one or more Members residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“**Noteholder Sanctions Violation**” is defined in Section 10.4.

“**Notes**” is defined in Section 1.

“**Obligations**” means, with respect to any Partner, all debts and monetary liabilities of such Partner to the holders of Notes under or in relation to any Finance Document and in any capacity, irrespective of whether the debts or liabilities:

(a) are present or future;

(b) are actual, prospective, contingent or otherwise;

(c) are at any time ascertained or unascertained;

(d) are owed or incurred by or on account of any such Partner alone, or severally or jointly with any other person;

(e) are owed or incurred as principal, interest, fees, premiums, make-whole amounts, charges, taxes, duties or other imposts, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account; or

(f) comprise any combination of the above.

“**Obligor**” is defined in the first paragraph of this Agreement.

“**OFAC**” is defined in Section 5.16(a).

“**OFAC Event**” means any amendment to, or change after the date of the Closing in, the laws or regulations of OFAC, or any amendment to or change after the date of the Closing in the official administration, interpretation or application of such laws or regulations.

“**OFAC Sanctions Program**” means any economic or trade sanction that OFAC is responsible for administering and enforcing, as listed at <http://www.treasury.gov/resource-center/sanctions/programs/pages/programs.aspx> or any successor site or publication.

“**Officer’s Certificate**” means a certificate of a Senior Financial Officer or of any other officer of either Partner or the Obligor, as the context requires, whose responsibilities extend to the subject matter of such certificate.

“**Partner**” is defined in the first paragraph of this Agreement.

“**Partnership Property**” means, with respect to a Partner, all of the present and future undertakings, assets and rights of such Partner in and to the undertakings, assets and rights of the FOXTEL Partnership and the FOXTEL Television Partnership, as applicable. “Partnership Property” does not include any undertakings, assets or rights of a Partner held in its personal or other capacity.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“**Permitted Jurisdiction**” means Canada and any country that on April 30, 2004 was a member of the European Union (excluding Spain, Italy, Portugal, Greece and Ireland).

“**Person**” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“**Plan**” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Obligor or any ERISA Affiliate or with respect to which the Obligor or any ERISA Affiliate may have any liability.

“**PPSA**” means the Australian Personal Property Securities Act 2009 (Cwth), as amended.

“**Prohibited Subsequent Action**” is defined in Section 10.4.

“**property**” or “**properties**” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“**Purchaser**” is defined in the first paragraph of this Agreement.

“**QP Transfer Certificate**” means a Qualified Purchaser Transfer Certificate in the form of Exhibit 15.2.

“**Qualified Purchaser**” means any person who is a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder.

“**Racing Channel**” means The Racing Channel Cable-TV Pty Limited (ABN 91 069 619 307).

“**Relevant GAAP**” means, with respect to (i) the FOXTEL Group and each Reporting Member, generally accepted accounting principles, standards and practices as in effect from time to time in Australia, and (ii) with respect to any Person other than the FOXTEL Group and the Reporting Members, generally accepted accounting principles (including any applicable application of International Financial Reporting Standards) as in effect from time to time in the jurisdiction under which such Person prepares its books of account and financial records and statements.

“**Reporting Member**” means each Member (other than Artist Services and Racing Channel for so long as such Person remains dormant).

“**Required Holders**” means, at any time, the holders of more than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by any Member, a Partner or any of their respective Affiliates).

“**Responsible Officer**” means any Senior Financial Officer and any other officer of either Partner or the Obligor, as the context requires, with responsibility for the administration of the relevant portion of this Agreement.

“**S&P**” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

“**Securities Act**” means the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Senior Debt Nomination Letter**” has the meaning set forth in the Shareholder Loan Subordination Deed.

“**Senior Financial Officer**” means the chief financial officer, principal accounting officer, treasurer or controller of the Obligor or either Partner, as the context requires.

“**Series D Notes**” is defined in Section 1.

“**Series E Notes**” is defined in Section 1.

“**Series F Notes**” is defined in Section 1.

“**Series G Notes**” is defined in Section 1.

“**Shareholder**” means:

- (a) Telstra;
- (b) News; or
- (c) CMH.

“**Shareholder Debt**” has the meaning set forth in the Shareholder Loan Subordination Deed.

“**Shareholder Loan Subordination Deed**” means that certain Subordination Deed Poll, dated as of April 10, 2012, among the Company, as borrower, and Telestra, News and CMH, as the subordinated creditors, as amended, restated, supplemented or otherwise modified from time to time.

“**Sky Cable**” is defined in the first paragraph of this Agreement.

“**STU**” means set top unit (including a refurbished or re-birthed set top unit).

“**Subordinated Creditors**” means Telstra, News and CMH.

“**Subordinated Debt**” means (i) Indebtedness identified as Subordinated Debt on Schedule 5.15 and (ii) all other Indebtedness of any Member which is the subject of a Subordination Deed.

“**Subordination Deed**” means a subordination deed or deed poll in a form approved by the Required Holders (acting reasonably) between the Person who has incurred or will incur Indebtedness, the entity to whom the Indebtedness is or will be owed and any other relevant Person, in relation to the provision of Subordinated Debt to any Member.

“**Subsidiary**” means a subsidiary as defined in Section 46 of the Corporations Act.

“**SVO**” means the Securities Valuation Office of the NAIC or any successor to such Office.

“**Swap Agreement**” means each interest rate or foreign exchange transaction, including any master agreement and any transaction or confirmation under it, entered into by any Member.

“**Tax**” means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

“**Taxing Jurisdiction**” is defined in Section 13.

“**Telstra**” means Telstra Corporation Limited (ABN 33 051 775 556).

“**Telstra Deed of Cross Guarantee**” means the ASIC Class Order deed of cross guarantee entered into by Telstra and certain of its subsidiaries on 4 June 1996.

“**Telstra Media**” is defined in the first paragraph of this Agreement.

“**Total Assets**” means, at any time, the aggregate book value of all assets of the FOXTEL Group at such time.

“**Total Debt**” means, at any time, the aggregate amount of all Indebtedness of each Member, excluding transactions between or among Members and excluding Subordinated Debt.

“**Transaction Party**” means the Obligor, each Partner and each Member Guarantor.

“**U.S. Dollar**” or “**U.S.\$**” means lawful money of the United States of America.

“**U.S. Dollar Note**” means any Series D Note, Series E Note or Series F Note.

“**U.S. Person**” means any Person who is a “U.S. person” as defined in Rule 902(k) under the Securities Act.

“**USA PATRIOT Act**” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**Wholly-Owned Subsidiary**” means, at any time, any Subsidiary all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Members and the Members’ other Wholly-Owned Subsidiaries at such time.

CHANGES IN CORPORATE STRUCTURE

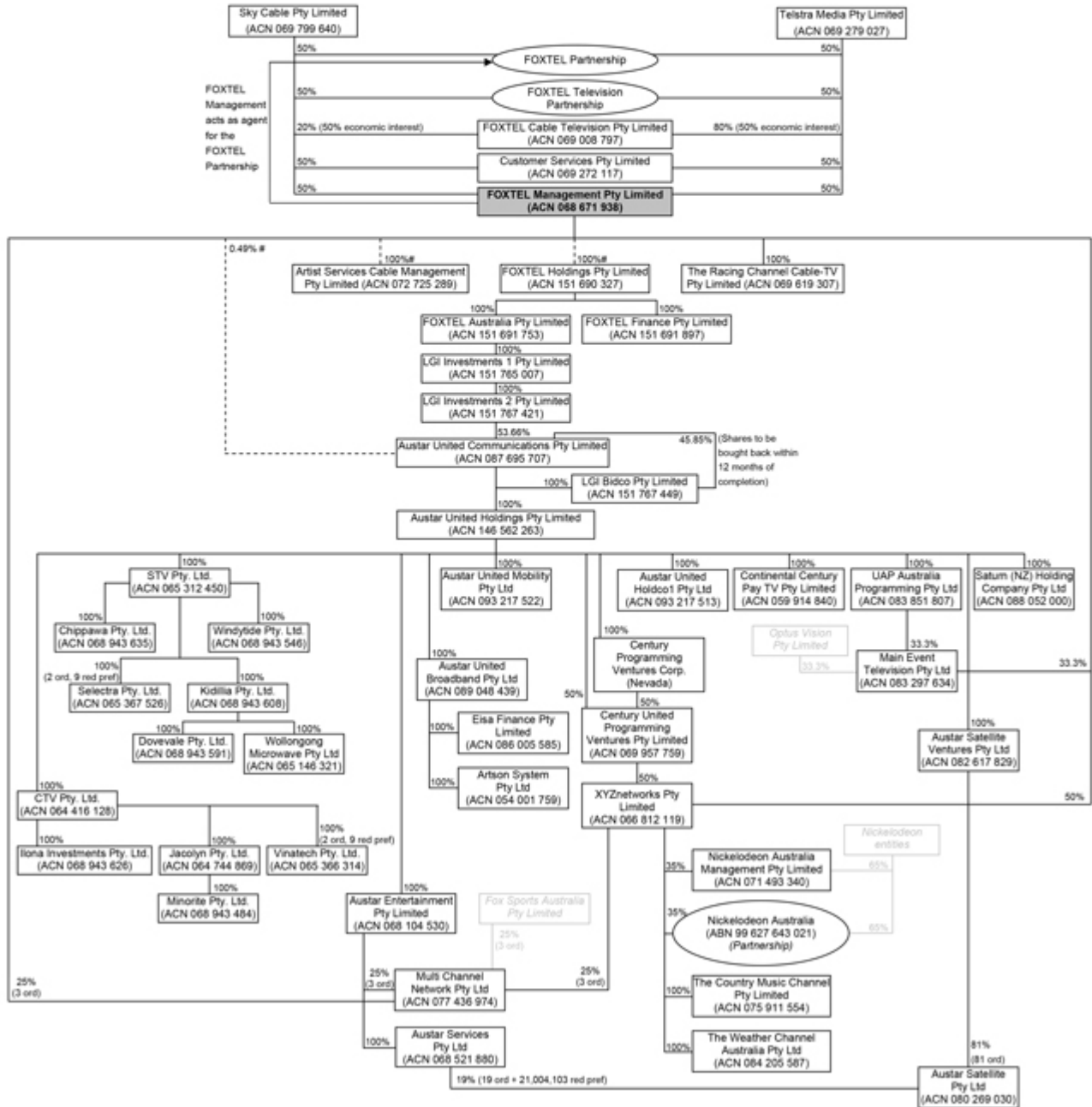
On 23 May 2012:

- FOXTEL Australia Pty Limited acquired all of the shares in LGI Investments 1 Pty Limited (the holding company of Austar United Communications Pty Limited) and assumed liabilities in connection with that acquisition; and
- FOXTEL Management Pty Limited in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership acquired 0.49% of the shares in Austar United Communications Pty Limited and assumed liabilities in connection with that acquisition.

GROUP STRUCTURE DIAGRAM

[Attached]

**GROUP STRUCTURE DIAGRAM
as at final completion**



Held non-beneficially by FOXTEL Management Pty Limited, on behalf of the FOXTEL Partnership

DISCLOSURE MATERIALS

The FOXTEL Group Reconciliation of Management Accounts to Aggregated Financial Information dated August 2011

MEMBER GUARANTORS, AFFILIATES AND OWNERSHIP OF MEMBER STOCK

Member	Member Guarantor?	Ownership of shares/capital stock/equity interests	Affiliates (other than Subsidiaries)*	Directors/ senior officers	Restrictions on distributions
FOXTEL Management Pty Limited	No	50% - Sky Cable Pty Limited 50% - Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	<p><u>Directors:</u> Kate McKenzie Gordon Ballantyne John Alexander Richard Freudenstein Guy Jalland Ian Philip Keith Brodie Andrew Penn Robert Nason</p> <p><u>Senior officers:</u> Richard Freudenstein Peter Tonagh Brian Walsh Shona Bishop Ed Smith Emma Hogan Bruce Meagher Lynette Ireland Jim Rudder</p>	<p>Restricted under clause 3 of the Subordination Deed Poll dated 10 April 2012</p> <p>Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012</p> <p>Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)</p>

Member	Member Guarantor?	Ownership of shares/capital stock/equity interests	Affiliates (other than Subsidiaries)*	Directors/ senior officers	Restrictions on distributions
The FOXTEL Partnership	No	50% - Sky Cable Pty Limited 50% - Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	N/A	<p>Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012</p> <p>Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)</p>
The FOXTEL Television Partnership	No	50% - Sky Cable Pty Limited 50% - Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	N/A	<p>Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012</p> <p>Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)</p>

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
LGI Investments 1 Pty Limited	Yes	FOXTEL Australia Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
LGI Investments 2 Pty Limited	Yes	LGI Investments 1 Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Austar United Communications Pty Limited	Yes	0.49% - FOXTEL Management Pty Limited 53.66% - LGI Investments 2 Pty Limited 45.85% - LGI Bidco Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
LGI Bidco Pty Limited	Yes	Austar United Communications Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Austar United Holdings Pty Limited	Yes	Austar United Communications Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
STV Pty. Ltd.	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Chippawa Pty. Ltd.	Yes	STV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Windytide Pty. Ltd.	Yes	STV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Selectra Pty. Ltd.	Yes	STV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Kidillia Pty. Ltd.	Yes	STV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Dovevale Pty. Ltd.	Yes	Kidillia Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Wollongong Microwave Pty Ltd	Yes	Kidillia Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
CTV Pty. Ltd.	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Ilona Investments Pty. Ltd.	Yes	CTV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Jacolyn Pty. Ltd.	Yes	CTV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Vinatech Pty. Ltd.	Yes	CTV Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

Member	Member Guarantor?	Ownership of shares/capital stock/equity interests	Affiliates (other than Subsidiaries)*	Directors/ senior officers	Restrictions on distributions
Minorite Pty. Ltd.	Yes	Jacolyn Pty. Ltd.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Austar United Mobility Pty Ltd	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Austar United Broadband Pty Ltd	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
eisa Finance Pty Limited	Yes	Austar United Broadband Pty Ltd	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Artson System Pty Ltd	Yes	Austar United Broadband Pty Ltd	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Austar United Holdco1 Pty Ltd	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Continental Century Pay TV Pty Limited	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
UAP Australia Programming Pty Ltd	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Saturn (NZ) Holding Company Pty Ltd	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Century United Programming Ventures Pty Limited	Yes	50 % - Austar United Holdings Pty Limited 50% - Century Programming Ventures Corp.	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
XYZnetworks Pty Limited	Yes	50 % - FOXTEL Management Pty Limited 50% - Century United Programming Ventures Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh Jacqueline Feeney Lynette Ireland	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Austar Satellite Ventures Pty Ltd	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Austar Entertainment Pty Limited	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Austar Services Pty Ltd	Yes	Austar Entertainment Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
The Country Music Channel Pty Limited	Yes	XYZnetworks Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Jacqueline Feeney	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
The Weather Channel Australia Pty Ltd	Yes	XYZnetworks Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Jacqueline Feeney	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Austar Satellite Pty Ltd	Yes	81% - Austar Satellite Ventures Pty Ltd 19% - Austar Services Pty Ltd	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
Artist Services Cable Management Pty Limited	Yes	FOXTEL Management Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Director:</u> Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Customer Services Pty Limited	Yes	50% - Sky Cable Pty Limited 50% - Telstra Media Pty Limited	Sky Cable Pty Limited and Telstra Media Pty Limited	<u>Directors:</u> Gerald Sutton Bruce Akhurst John Alexander Richard Freudenstein Guy Jalland Ian Philip Keith Brodie Andrew Penn Robert Nason	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
FOXTEL Cable Television Pty Limited	Yes	20% ** - Sky Cable Pty Limited 80% ** - Telstra Media Pty Limited * Economic interest held by above parties 50/50	Sky Cable Pty Limited and Telstra Media Pty Limited	<u>Directors:</u> Gerald Sutton Bruce Akhurst John Alexander Richard Freudenstein Guy Jalland Ian Philip Keith Brodie Andrew Penn Robert Nason	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
The Racing Channel Cable-TV Pty Limited	Yes	FOXTEL Management Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
FOXTEL Finance Pty Limited	Yes	FOXTEL Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
FOXTEL Holdings Pty Limited	Yes	FOXTEL Management Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)
FOXTEL Australia Pty Limited	Yes	FOXTEL Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	<u>Directors:</u> Richard Freudenstein Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

<u>Member</u>	<u>Member Guarantor?</u>	<u>Ownership of shares/capital stock/equity interests</u>	<u>Affiliates (other than Subsidiaries)*</u>	<u>Directors/ senior officers</u>	<u>Restrictions on distributions</u>
Century Programming Ventures Corp.	Yes	Austar United Holdings Pty Limited	Sky Cable Pty Limited, Telstra Media Pty Limited and FOXTEL Management Pty Limited	Director: Peter Tonagh	Restricted under clause 5.8 of the Common Terms Deed Poll dated 10 April 2012 Restricted under section 10.9 of the USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)

The directors of Sky Cable Pty Limited are Ian Philip, Stephen Rue, John Alexander, Trent Whitney, James Packer and Kimberly Williams.

The directors of Telstra Media Pty Limited are Mark Hall, Gerald Sutton and Susan Vertigan.

* Note: this does not include intermediary holding companies not otherwise listed in this Schedule and does not include Affiliates above the level of Sky Cable Pty Limited or Telstra Media Pty Limited.

FINANCIAL STATEMENTS

- Foxtel Group 2006, 2007, 2008, 2009, 2010, 2011 Financial Statements
- Foxtel Group HY2012 Unaudited Financial Statements
- Foxtel Pro Forma Consolidated Balance Sheet
- Austar 2006, 2007, 2008, 2009, 2010, 2011 Annual Reports

EXISTING INDEBTEDNESS

In accordance with Section 5.15(a), existing Indebtedness as of June 30, 2012 is as follows:

<u>Nature of debt</u>	<u>Obligor(s)</u>	<u>Facility Amount (000's)</u>	<u>Amount Outstanding (000's)</u>
Syndicated Revolving Facility Agreement dated 10 April 2012	Borrowers: The Company FOXTEL Finance Pty Limited Guarantors: Please see table of Guarantors below	AUD 1,200,000	AUD 1,053,823
Syndicated Bridge Facility Agreement dated 10 April 2012	Borrower: The Company Guarantors: Please see table of Guarantors below	AUD 900,000	AUD 900,000
USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)	Issuer: The Company Guarantors: Please see table of Guarantors below	US 180,000	US 180,000

<u>Nature of debt</u>	<u>Obligor(s)</u>	<u>Facility Amount (000's)</u>	<u>Amount Outstanding (000's)</u>
CBA Multi-option facility agreement dated 24 September 2004 (as amended and restated)	Borrowers under Multi-Option facility:	AUD 75,000	AUD 7,973
CBA Working Capital Facility Agreement dated 23 May 2012	The Company Customer Services Pty Limited Borrower under Working Capital Facility Agreement: The Company Guarantors under both agreements: Please see table of Guarantors below		
CBA lease agreement dated 30 June 2009 (as amended and restated)	Borrower: The Company Guarantors: Please see table of Guarantors below	AUD 36,416	AUD 36,416
Subordinated shareholder loan agreement with Telstra Corporation Limited, News Australia Pty Limited and Consolidated Media Holdings Limited	Borrower: The Company	AUD 900,000	AUD 886,231

The Company and Foxtel Finance Pty Limited have also entered into Swap Agreements with Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, Westpac Banking Corporation, National Australia Bank Limited, The Royal Bank of Scotland plc, UBS AG and Lloyds TSB Bank plc. Those Swap Agreements are guaranteed by the entities set out in the table of Guarantors below.

Guarantors

	<u>Company Name</u>	<u>ACN</u>
1.	LGI Investments 1 Pty Limited	151 765 007
2.	LGI Investments 2 Pty Limited	151 767 421
3.	Austar United Communications Pty Limited	087 695 707
4.	LGI Bidco Pty Limited	151 767 449
5.	Austar United Holdings Pty Limited	146 562 263
6.	STV Pty. Ltd.	065 312 450
7.	Chippawa Pty. Ltd.	068 943 635
8.	Windytide Pty. Ltd.	068 943 546
9.	Selectra Pty. Ltd.	065 367 526
10.	Kidillia Pty. Ltd.	068 943 608
11.	Dovevale Pty. Ltd.	068 943 591
12.	Wollongong Microwave Pty Ltd	065 146 321
13.	CTV Pty. Ltd.	064 416 128
14.	Iona Investments Pty. Ltd.	068 943 626
15.	Jacolyn Pty. Ltd.	064 744 869
16.	Vinatech Pty. Ltd.	065 366 314
17.	Minorite Pty. Ltd.	068 943 484
18.	Austar United Mobility Pty Ltd	093 217 522
19.	Austar United Broadband Pty Ltd	089 048 439
20.	eisa Finance Pty Limited	086 005 585
21.	Artson System Pty Ltd	054 001 759
22.	Austar United Holdco1 Pty Ltd	093 217 513
23.	Continental Century Pay TV Pty Limited	059 914 840
24.	UAP Australia Programming Pty Ltd	083 851 807
25.	Saturn (NZ) Holding Company Pty Ltd	088 052 000
26.	Century United Programming Ventures Pty Limited	069 957 759
27.	XYZnetworks Pty Limited	066 812 119
28.	Austar Satellite Ventures Pty Ltd	082 617 829
29.	Austar Entertainment Pty Limited	068 104 530

<u>Company Name</u>	<u>ACN</u>
30. Austar Services Pty Ltd	068 521 880
31. The Country Music Channel Pty Limited	075 911 554
32. The Weather Channel Australia Pty Ltd	084 205 587
33. Austar Satellite Pty Ltd	080 269 030
34. The FOXTEL Partnership	N/A
35. The FOXTEL Television Partnership	N/A
36. Artist Services Cable Management Pty Limited	072 725 289
37. Customer Services Pty Limited	069 272 117
38. FOXTEL Cable Television Pty Limited	069 008 797
39. FOXTEL Management Pty Limited in its own capacity and as FOXTEL Agent and as agent for the FOXTEL Television Partnership	068 671 938
40. Sky Cable Pty Limited	069 799 640
41. Telstra Media Pty Limited	069 279 027
42. The Racing Channel Cable-TV Pty Limited	069 619 307
43. FOXTEL Finance Pty Limited	151 691 897
44. FOXTEL Holdings Pty Limited	151 690 327
45. FOXTEL Australia Pty Limited	151 691 753
46. Century Programming Ventures Corp.	N/A (incorporated in Nevada)

In accordance with Section 5.15(c), the following instruments, documents or agreements limit the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness by the FOXTEL Group:

<u>Document</u>	<u>Restrictions</u>
Common Terms Deed Poll dated 10 April 2012	Restriction on secured indebtedness in excess of 10% of Total Assets Interest Cover Ratio Total Debt to EBITDA Ratio
USPP Note and Guarantee Agreement dated 24 September 2009 (as amended and restated)	Restriction on secured indebtedness in excess of 10% of Total Assets Interest Cover Ratio Total Debt to EBITDA Ratio

[FORM OF SERIES D NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT "U.S. PERSONS" AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("U.S. PERSONS"), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE "QUALIFIED PURCHASERS" AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

3.68% Series D Guaranteed Senior Note Due 2019

No. D-[__]
U.S.\$[_____]

[Date]
PPN: Q3946* AD5

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia ("**FOXTEL Management**"), in its individual capacity (in such capacity, herein called the "**Company**"), hereby promises to pay to [____], or registered assigns, the principal sum of [_____] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on July 25, 2019 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 3.68% per annum from the date hereof, payable semiannually, on the 25th day of January and July in each year, commencing with the January 25 or July 25 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 5.68% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of July 25, 2012 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made (as of the date of such acceptance instead of the date of the Closing) the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.1, 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Director/Secretary Signature

Print Name

Print Name

[FORM OF SERIES E NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED

(ABN 65 068 671 938)

4.27% Series E Guaranteed Senior Note Due 2022

No. E-[]
 U.S.\$[]

[Date]
 PPN: Q3946* AE3

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on July 25, 2022 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 4.27% per annum from the date hereof, payable semiannually, on the 25th day of January and July in each year, commencing with the January 25 or July 25 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 6.27% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of July 25, 2012 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made (as of the date of such acceptance instead of the date of the Closing) the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.1, 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Director/Secretary Signature

Print Name

Print Name

[FORM OF SERIES F NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)

4.42% Series F Guaranteed Senior Note Due 2024

No. F-[]
U.S.\$[]

[Date]
PPN: Q3946* AF0

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on July 25, 2024 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 4.42% per annum from the date hereof, payable semiannually, on the 25th day of January and July in each year, commencing with the January 25 or July 25 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 6.42% and (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of July 25, 2012 (as from time to time amended, the “**Note and Guarantee Agreement**”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made (as of the date of such acceptance instead of the date of the Closing) the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.1, 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Print Name

Director/Secretary Signature

Print Name

[FORM OF SERIES G NOTE]

INTERESTS IN THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO PERSONS WHO ARE NOT “U.S. PERSONS” AS DEFINED IN RULE 902(K) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“U.S. PERSONS”), OR, IF TO U.S. PERSONS, TO U.S. PERSONS WHO ARE “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

FOXTEL MANAGEMENT PTY LIMITED
(ABN 65 068 671 938)

7.04% Series G Guaranteed Senior Note Due 2022

No. G-[]
AS[]

[Date]
PPN: Q3946* AG8

FOR VALUE RECEIVED, the undersigned, **FOXTEL MANAGEMENT PTY LIMITED** (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its individual capacity (in such capacity, herein called the “**Company**”), hereby promises to pay to [], or registered assigns, the principal sum of [] AUSTRALIAN DOLLARS (or so much thereof as shall not have been prepaid) on July 25, 2022 with interest (computed on the basis of actual days elapsed and a year of 365 days) (a) on the unpaid balance thereof at the rate of 7.04% per annum from the date hereof, payable semiannually, on the 25th day of January and July in each year, commencing with the January 25 or July 25 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 9.04% and (ii) 2.00% over the rate of interest publicly announced by Commonwealth Bank of Australia from time to time in Sydney, Australia as its “reference rate”.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of Australia at the principal office of JPMorgan Chase Bank, N.A. in New York, New York, or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note and Guarantee Agreement referred to below.

This Note is one of a series of Guaranteed Senior Notes (herein called the “Notes”) issued pursuant to the Note and Guarantee Agreement, dated as of July 25, 2012 (as from time to time amended, the “Note and Guarantee Agreement”), between the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“Sky Cable”), Telstra Media Pty Limited (ABN 72 069 799 640) (“Telstra Media” and, together with Sky Cable, the “Partners”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “Guarantor”), and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to be bound by the provisions of the Note and Guarantee Agreement expressed to be, or that otherwise are, applicable to holders of Notes, and (ii) made (as of the date of such acceptance instead of the date of the Closing) the representations set forth in Section 6 of the Note and Guarantee Agreement, except with respect to Sections 6.1, 6.3(a) and 6.3(d). Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note and Guarantee Agreement.

Payment of the principal of, and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by (i) the Guarantor and the Partners in accordance with the terms of the Note and Guarantee Agreement and (ii) each Member Guarantor in accordance with the terms of its Member Guarantee.

This Note is a registered Note and, as provided in the Note and Guarantee Agreement, upon surrender of this Note for registration of transfer, accompanied by (i) a written instrument of transfer duly executed by the registered holder hereof or such holder’s attorney duly authorized in writing and (ii) in the case any transfer of this Note to a transferee that is a U.S. Person, a QP Transfer Certificate duly executed by such transferee, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note and Guarantee Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note and Guarantee Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Executed in accordance with section 127
of the *Corporations Act 2001* by
**FOXTEL MANAGEMENT PTY
LIMITED**, in its own capacity:

Director Signature

Print Name

Director/Secretary Signature

Print Name

Form of Opinion of U.S. Special Counsel for the Transaction Parties

[Attached]

Form of Opinion of Australian Special Counsel for the Transaction Parties

[Attached]

Form of Opinion of U.S. Counsel for the Purchasers

[Attached]

[FORM OF SENIOR DEBT NOMINATION LETTER]

Senior Debt Nomination Letter

To: Each holder under the note and guarantee agreement dated 25 July 2012 between, among others, Foxtel Management Pty Limited (ACN 068 671 938), Sky Cable Pty Limited (ABN 14 069 799 640) and Telstra Media Pty Limited (ABN 72 069 279 027) (the *Note and Guarantee Agreement*)

Date: 25 July 2012

Dear Sirs

Senior Debt Nomination Letter – Subordination Deed Poll dated 10 April 2012 given by Telstra Corporation Limited, News Australia Pty Limited, Consolidated Media Holdings Limited and FOXTEL Management Pty Limited (the *Subordination Deed Poll*) in favour of the Senior Finance Parties

Terms defined in the Subordination Deed Poll have the same meaning when used in this letter. This is a Senior Debt Nomination Letter for the purposes of the Subordination Deed Poll.

We nominate:

- (a) the following persons as a Senior Lender for the purposes of the Subordination Deed Poll:
Each holder under the Note and Guarantee Agreement from time to time (the *Holder*s)
- (b) the following person as a Senior Lender Representative for the purposes of the Subordination Deed Poll:
The Required Holders (as that term is defined in the Note and Guarantee Agreement) except that, in relation to any matter that requires the consent of all Holders under the Note and Guarantee Agreement, each Holder will be a Senior Lender Representative; and
- (c) the following documents as Senior Debt Documents for the purposes of the Subordination Deed Poll:
 - the Note and Guarantee Agreement;
 - the Notes (as defined in the Note and Guarantee Agreement); and
 - each Member Guarantee (as defined in the Note and Guarantee Agreement).

This letter is governed by the laws of New South Wales.

For and on behalf of:

FOXTEL Management Pty Limited

jtfS A0121889907v1 120092119 24.7.2012

Form of Opinion of Allens Linklaters regarding the Shareholder Loan Subordination Deed

[Attached]

[FORM OF MEMBER GUARANTEE]**DEED OF GUARANTEE****DEED POLL DATED:**

BY: The Companies listed in Annex I hereto, whose place of incorporation and address are specified therein (each a “**Member Guarantor**” and collectively, the “**Member Guarantors**”).

In favour of each person who is from time to time a Holder of one or more of any of the (i) U.S.\$150,000,000 3.68% Series D Guaranteed Senior Notes due 2019, (ii) U.S.\$200,000,000 4.27% Series E Guaranteed Senior Notes due 2022, (iii) U.S.\$150,000,000 4.42% Series F Guaranteed Senior Notes due 2024 and (iv) A\$100,000,000 7.04% Series G Guaranteed Senior Notes due 2022 (collectively, together with all notes delivered in substitution or exchange for any of said notes pursuant to the Note and Guarantee Agreement referred to below, the “**Notes**”), in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), pursuant to the Note and Guarantee Agreement dated as of 25 July 2012 (as amended, modified or supplemented from time to time, the “**Note and Guarantee Agreement**”), among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and each of the purchasers listed in Schedule A attached thereto.

Section 1. Definitions. Terms defined in the Note and Guarantee Agreement are used herein as defined therein.

Section 2. The Guarantee.

2.01 The Guarantee. It is acknowledged that the Company shall use the proceeds from the sale of the Notes to repay existing Indebtedness and for other general corporate purposes to the benefit of the FOXTEL Group, of which the Company and the Member Guarantors are a part. For such valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Member Guarantor hereby unconditionally, absolutely and irrevocably guarantees, on a joint and several basis, to each holder of a Note (each, a “**Holder**”) (a) the prompt payment in full, in U.S. Dollars, in the case of U.S. Dollar Notes, or Australian Dollars, in the case of the Series G Notes, when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and, to the extent permitted by applicable law,

on any overdue interest and on amounts described in Section 13 of the Note and Guarantee Agreement) and all other amounts from time to time owing by the Company under the Note and Guarantee Agreement and under the Notes (including, without limitation, costs, expenses and taxes), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed under the Note and Guarantee Agreement, in each case strictly in accordance with the terms thereof (such payments and other obligations being herein collectively called the “**Guaranteed Obligations**”). Each Member Guarantor hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, each Member Guarantor will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to any Holder such amounts, to the extent lawful, as shall be sufficient to pay the reasonable costs and expenses of collection or of otherwise enforcing any of such Holder’s rights under the Note and Guarantee Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Member Guarantors under this Section 2.01 shall survive the transfer of any Note, and any obligations of the Member Guarantors under this Section 2.01 with respect to which the related underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive the payment of such Note.

2.02 Obligations Unconditional. (a) The obligations of the Member Guarantors under Section 2.01 are joint and several and constitute a present and continuing guaranty of payment and not collectibility and are absolute, irrevocable and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under the Note and Guarantee Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 2.02 that the obligations of the Member Guarantors hereunder shall be absolute, irrevocable and unconditional, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of any Member Guarantor hereunder which shall remain absolute, irrevocable and unconditional as described above:

(1) any amendment or modification of any provision of the Note and Guarantee Agreement or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security or any additional guarantee or any release of any security or guarantee (including the release of any other Member Guarantor as contemplated by Section 5.07) so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of the Note and Guarantee Agreement or the Notes, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company, the Guarantor or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, the Note and Guarantee Agreement, the Notes or any other agreement;

(5) any transfer or purported transfer of any assets to or from the Company or the Guarantor, including without limitation, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company or the Guarantor with or into any Person, any change in the ownership of any shares of capital stock or other equity interests of the Company or the Guarantor, or any change whatsoever in the objects, capital structure, constitution or business of the Company or the Guarantor;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or the Guarantor or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or the Guarantor or any other Person of, any term of the Note and Guarantee Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favour of, any beneficiaries or creditors of, the Company or the Guarantor or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of the Note and Guarantee Agreement, the Notes, any other Member Guarantee given by another Member Guarantor or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or the Guarantor or any trustee or agent thereof; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The guarantee under this Section 2 is a guarantee of payment and not collectibility and each Member Guarantor hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any Holder exhaust any right, power or remedy against the Company or the Guarantor under the Note and Guarantee Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Member Guarantor, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

(c) In the event that any Member Guarantor shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, such Member Guarantor shall not exercise any subrogation or other rights hereunder or under the Notes and such Member Guarantor hereby waives all rights it may have to exercise any such subrogation or other rights, and all other remedies that it may have against the Company, the Guarantor or any other Member Guarantor, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. If any amount shall be paid to any Member Guarantor on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. Each Member Guarantor agrees that its obligations under this Deed of Guarantee shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any Holder, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

The guarantee in this Section 2 is a continuing guarantee and indemnity and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs. This Section 2 is a principal and independent obligation and, except for stamp duty purposes, is not ancillary or collateral to another document, agreement, right or obligation.

If an event permitting or causing the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person of a case or proceeding under a bankruptcy or insolvency law, each Member Guarantor agrees that, for purposes of this Deed of Guarantee and its obligations hereunder, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the Holders had accelerated the same in accordance with the terms of the Note and Guarantee Agreement, and each Member Guarantor shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amount and any other amounts guaranteed hereunder without further notice or demand.

2.03 Exclusion of Subrogation and Other Rights. Until each Holder has received payment of all the Guaranteed Obligations owed to it and each Holder is satisfied that it will not have to repay any money received by it in connection with the Guaranteed Obligations, each Member Guarantor must not (either directly or indirectly):

- (a) claim, exercise or attempt to exercise a right of set-off or any other right which might reduce or discharge such Member Guarantor's liability under this Deed of Guarantee;

(b) claim or exercise a right of subrogation or a right of contribution or otherwise claim the benefit of any guarantee, security interest or negotiable instrument held or given, whether before or after this Deed of Guarantee is executed, as security for or otherwise in connection with the Guaranteed Obligations; or

(c) unless each Holder has given a written direction to do so, (i) prove, claim or exercise voting rights in the winding up of the Company, the Guarantor or another Member Guarantor in competition with such Holder, (ii) if a demand has been made by a Holder hereunder, claim or receive the benefit of a distribution, dividend or payment arising out of the winding up of the Company, the Guarantor or another Member Guarantor or (iii) if a demand has been made by a Holder hereunder, demand, or accept payment of, any money owed to such Member Guarantor by the Company, the Guarantor or any other Member Guarantor.

2.04 No Claim in Winding Up; Limitation on Set Off. Despite any liability of the Company, the Guarantor or any Member Guarantor to any Member Guarantor, no Member Guarantor has a debt provable in the winding up of the Company, the Guarantor or any Member Guarantor unless:

(a) each Holder has received all of the Guaranteed Obligations owed to it and has notified the Member Guarantors in writing that it is satisfied that it will not have to repay any money received by it in reduction of the Guaranteed Obligations; or

(b) each Holder has given a written direction to the Member Guarantors to prove such debt in the winding up of the Company, the Guarantor or any Member Guarantor, as the case may be.

Each Member Guarantor agrees that if the Company, the Guarantor or any Member Guarantor is wound up no set-off between mutual debts of any Member Guarantor and the Company, the Guarantor or any Member Guarantor will occur until any such Member Guarantor has a provable debt.

2.05 No Marshalling. No Holder need resort to any other Member Guarantee, any other guarantee or security interest before exercising a power under this Deed of Guarantee.

2.06 Exercise of Holders' Rights. (a) Each Holder may in its absolute discretion (i) demand payment of the Guaranteed Obligations from all or any of the Member Guarantors and (ii) proceed against all or any of them; and

(b) No Holder is obligated to exercise any of such Holder's rights under this Deed of Guarantee against (i) all of the Member Guarantors or (ii) any of the Member Guarantors (even if the Holder has exercised rights against another Member Guarantor) or (iii) two or more of the Member Guarantors at the same time.

2.07 Rescission of Payment. Whenever any of the following occurs for any reason (including under any law relating to bankruptcy, insolvency, liquidation, fiduciary obligations or the protection of creditors generally):

- (a) all or part of any transaction of any nature (including any payment or transfer) made during the term of this Deed of Guarantee which affects or relates in any way to the Guaranteed Obligations is void, set aside or voidable;
- (b) any claim that anything contemplated by paragraph (a) is so upheld, conceded or compromised; or
- (c) any Holder is required to return or repay any money or asset received by it under any such transaction or the equivalent in value of that money or asset,

the relevant Holder will immediately become entitled against each Member Guarantor to all rights in respect of the Guaranteed Obligations which it would have had if all or the relevant part of the transaction or receipt had not taken place. Each Member Guarantor shall indemnify each Holder against any resulting loss, cost or expense. This clause shall continue after this Deed of Guarantee is discharged.

2.08 Limitation. Anything herein to the contrary notwithstanding, the liability of any Member Guarantor under this Deed Guarantee shall in no event exceed an amount equal to the maximum amount which can be guaranteed by such Member Guarantor under applicable laws relating to the insolvency of debtors and fraudulent conveyance.

2.09 Indemnity. (a) If any Guaranteed Obligations (or moneys which would have been Guaranteed Obligations if it had not been irrecoverable) are irrecoverable by any Holder from (x) any Transaction Party; or (y) any Member Guarantor on the footing of a guarantee, the Member Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation shall:

- (1) indemnify each Holder against any loss suffered, paid or incurred by that Holder in relation to the non-payment of such money;
- and
- (2) pay such Holder an amount equal to such money.

(b) Section 2.09(a) applies to the Guaranteed Obligations (or money which would have been Guaranteed Obligations if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:

- (1) they are or may be irrecoverable because of any event described in Section 2.02(a);
- (2) the transactions or any of them relating to that money are void or illegal or avoided or otherwise unenforceable;

(3) any matters relating to the Guaranteed Obligations are or should have been within the knowledge of any Holder; and

(4) they are or may be irrecoverable because of any other fact or circumstance (other than the indefeasible payment in full of the Guaranteed Obligations).

Section 3. Representations and Warranties. Each Member Guarantor represents and warrants to the Holders that:

3.01 Organization, Power and Authority. Such Member Guarantor is a corporation or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Such Member Guarantor has the corporate or other organizational power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Deed of Guarantee and to perform the provisions hereof.

3.02 Authorization, etc. This Deed of Guarantee has been duly authorized by all necessary corporate or other organizational action on the part of such Member Guarantor, and this Deed of Guarantee constitutes a legal, valid and binding obligation of such Member Guarantor enforceable against such Member Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.03 Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by such Member Guarantor of this Deed of Guarantee will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Member Guarantor under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum or articles of association, partnership agreement, regulations or by-laws or other organizational document, or any other agreement or instrument to which such Member Guarantor is bound or by which such Member Guarantor or any of its properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Member Guarantor or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Member Guarantor.

3.04 Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by such Member Guarantor of this Deed of Guarantee including, without limitation, any thereof required in connection with the obtaining of U.S. Dollars or Australian Dollars, as applicable, to make payments under this Deed of Guarantee and the

payment of such U.S. Dollars or Australian Dollars, as applicable, to Persons resident in the United States of America, Canada, Japan or Australia, as the case may be, except for any consents, approvals, authorizations, registrations, filings or declarations which have been made or obtained and are in full force and effect. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in the jurisdiction of organization of such Member Guarantor of this Deed of Guarantee, that this Deed of Guarantee or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax, except for any filings, recordings, enrollments or stamps which have been made or obtained and are in full force and effect.

3.05 Taxes. No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of or in the jurisdiction of organization of such Member Guarantor or any political subdivision thereof or therein will be incurred by such Member Guarantor or any Holder of a Note as a result of the execution or delivery of this Deed of Guarantee, except for any Taxes which have been paid.

3.06 Solvency. Such Member Guarantor is solvent and able to pay all its debts as and when they fall due and such Member Guarantor will not be rendered insolvent as a result of entering into the transactions contemplated by this Deed of Guarantee (after taking into consideration contingencies and contribution from others).

3.07 Ranking. Such Member Guarantor's payment obligations under this Deed of Guarantee constitute direct and general obligations of such Member Guarantor and rank at least *pari passu* in right of payment, without preference or priority, with all other unsecured and unsubordinated Indebtedness of such Member Guarantor.

Section 4. Tax Indemnity. All payments whatsoever under this Deed of Guarantee will be made by the relevant Member Guarantor in lawful currency of the United States of America (in the case of payments in respect of the U.S. Dollar Notes) or Australia (in the case of payments in respect of the Series G Notes) free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States, Canada (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Canada), Japan (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Japan) or Australia (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Australia) (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by any Member Guarantor under this Deed of Guarantee, such Member Guarantor will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each Holder such additional amounts as may be necessary in order that the net amounts paid to such Holder pursuant to the terms of this Deed of Guarantee, after such deduction, withholding or payment (including, without limitation, any required

deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such Holder under the terms of this Deed of Guarantee before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Excluded Tax;

(b) with respect to a Holder, provided that such Member Guarantor is registered under the laws of Australia, any Tax that would not have been imposed but for any breach by such Holder of any representation made or deemed to have been made by such Holder pursuant to Section 6.3(a), 6.3(c) or 6.3(d) of the Note and Guarantee Agreement;

(c) any Tax that would not have been imposed had any such Holder that is an Australian tax resident or holds the Note in connection with a permanent establishment in Australia provided such Member Guarantor with:

(i) its Australian business number; or

(ii) its Australian tax file number or evidence of an exemption from providing an Australian tax file number;

(d) any Tax that would not have been imposed but for the existence of any present or former connection between such Holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, trust, partnership or corporation or any Person other than the Holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and Australia or any other Taxing Jurisdiction in which such Member Guarantor is organized, other than the mere holding of the relevant Note with the benefit of this Deed of Guarantee or the receipt of payments thereunder or hereunder, including, without limitation, such Holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for such Member Guarantor, after the date that such Member Guarantor so became a Member Guarantor, changing its jurisdiction of organization to the Taxing Jurisdiction imposing the relevant Tax;

(e) any Tax that would not have been imposed but for the delay or failure by such Holder (following a written request by any Member Guarantor) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such Holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such Holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such Holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could

have been lawfully avoided by such Holder, and provided further that such Holder shall be deemed to have satisfied the requirements of this clause (e) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of any Member Guarantor no later than 45 days after receipt by such Holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(f) any combination of clauses (a), (b), (c), (d) and (e) above;

and provided further that in no event shall any Member Guarantor be obligated to pay such additional amounts to any Holder (i) not resident in the United States of America, Canada, Japan, Australia or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that such Member Guarantor would be obligated to pay if such holder had been a resident of the United States of America, Canada, Japan, Australia or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America, Canada, Japan, Australia or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and such Member Guarantor shall have given timely notice of such law or interpretation to such Holder.

By acceptance of any Note with the benefit of this Deed of Guarantee, the relevant Holder agrees, subject to the limitations of clause (e) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by any Member Guarantor all such forms, certificates, documents and returns provided to such Holder by such Member Guarantor (collectively, together with instructions for completing the same, “**Forms**”) required to be filed by or on behalf of such Holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide any Member Guarantor with such information with respect to such Holder as such Member Guarantor may reasonably request in order to complete any such Forms, provided that nothing in this Section 4 shall require any Holder to provide information with respect to any such Form or otherwise if in the opinion of such Holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such Holder, and provided further that each such Holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such Holder to the relevant Member Guarantor or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of any Member Guarantor (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

On or before the date of this Deed of Guarantee, the relevant Member Guarantor will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in the relevant Taxing Jurisdiction pursuant to clause (e) of the second paragraph of this Section 4, if any, and in connection with the transfer of any Note, the relevant Member Guarantor will furnish the transferee of any Note with copies of any Form and English translation then required.

If any payment is made by any Member Guarantor to or for the account of any Holder after deduction for or on account of any Taxes, and additional amounts are paid by such Member Guarantor pursuant to this Section 4, then, if such Holder has received or been granted a refund of such Taxes, such Holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to such Member Guarantor such amount as such Holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of any Holder to arrange its tax affairs in whatever manner it thinks fit and, in particular, no Holder shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (e) above) oblige any Holder to disclose any information relating to its tax affairs or any computations in respect thereof.

The relevant Member Guarantor will furnish the Holders, promptly and in any event within 60 days after the date of any payment by such Member Guarantor of any Tax in respect of any amounts paid under this Deed of Guarantee the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of such Member Guarantor, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any Holder.

If any Member Guarantor is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which such Member Guarantor would be required to pay any additional amount under this Section 4, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against any Holder, and such Holder pays such liability, then such Member Guarantor will promptly reimburse such Holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by such Member Guarantor) upon demand by such Holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If any Member Guarantor makes payment to or for the account of any Holder and such Holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such Holder shall, as soon as practicable after receiving written request from such Member Guarantor (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by such Member Guarantor, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Member Guarantors under this Section 4 shall survive the payment or transfer of any Note and the provisions of this Section 4 shall also apply to successive transferees of the Notes.

Section 5. Miscellaneous.

5.01 Amendments, Etc. This Deed of Guarantee may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Member Guarantor and the Required Holders, except that no such amendment or waiver may, without the written consent of each Holder affected thereby, amend any of Section 2.01, 2.02, 4, this Section 5.01 or Section 5.04.

5.02 Notices. All notices and communications provided for hereunder shall be in writing and sent as provided in Section 20 of the Note and Guarantee Agreement (i) if to any Holder, to the address (whether electronic or physical) specified for such Holder in the Note and Guarantee Agreement and (ii) if to any Member Guarantor, to the address for such Member Guarantor set forth in Annex I hereto.

5.03 Jurisdiction and Process; Waiver of Jury Trial.

(a) Each Member Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Deed of Guarantee or any other document executed in connection herewith. To the fullest extent permitted by applicable law, each Member Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Member Guarantor agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 5.03(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each Member Guarantor consents to process being served by or on behalf of any Holder in any suit, action or proceeding of the nature referred to in Section 5.03(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 5.02, to National Registered Agents, Inc., at 111 Eighth Avenue, New York, NY 10011, as its agent for the purpose of accepting service of any process in the United States. Each Member Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 5.03 shall affect the right of any Holder to serve process in any manner permitted by law, or limit any right that the Holders may have to bring proceedings against any Member Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each Member Guarantor hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) EACH MEMBER GUARANTOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS DEED OF GUARANTEE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

5.04 Obligation to Make Payment in Applicable Currency.

(a) Any payment on account of an amount that is payable by any Member Guarantor under this Deed of Guarantee in respect of any amount owed under the Note and Guarantee Agreement or the Notes shall be made in the respective currency specified in the Note and Guarantee Agreement or the Notes, as the case may be. Costs, expenses and indemnities payable pursuant to any provision of this Deed of Guarantee shall be paid in either U.S. Dollars or Australian Dollars depending on the currency in which such costs and expenses are incurred and billed to the Member Guarantors.

(b) Any payment on account of an amount that is payable by any Member Guarantor in U.S. Dollars which is made to or for the account of any Holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any Member Guarantor, shall constitute a discharge of the obligation of the Member Guarantors under this Deed of Guarantee only to the extent of the amount of U.S. Dollars which such Holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such Holder from any Member Guarantor, such Member Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such Holder from and against all loss or damage arising out of or as a result of such deficiency.

(c) Any payment on account of an amount that is payable by any Member Guarantor in Australian Dollars which is made to or for the account of any Holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any Member Guarantor, shall constitute a

discharge of the obligation of the Member Guarantors under this Deed of Guarantee only to the extent of the amount of Australian Dollars which such Holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Australian Dollars that could be so purchased is less than the amount of Australian Dollars originally due to such Holder from any Member Guarantor, such Member Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such Holder from and against all loss or damage arising out of or as a result of such deficiency.

(d) The indemnities contained in the foregoing clauses (a) through (c) shall, to the fullest extent permitted by law, constitute obligations separate and independent from the other obligations contained in this Deed of Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such Holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order. As used herein the term “**London Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

5.05 Successors and Assigns. All covenants and other agreements of each of the Member Guarantors in this Deed of Guarantee shall bind its respective successors and assigns and shall inure to the benefit of the Holders and their respective successors and assigns.

5.06 Severability. Any provision of this Deed of Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

5.07 Termination. Notwithstanding anything to the contrary contained herein, upon any notice by the Company with respect to any Member Guarantor as provided in, and satisfying the requirements of, Section 9.8(c) of the Note and Guarantee Agreement, such Member Guarantor shall be automatically released from this Deed of Guarantee and this Deed of Guarantee shall be of no further force and effect with respect to such Member Guarantor as at the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any Holder or any other Person.

5.08 Additional Member Guarantors. One or more additional Members may become party to this Deed of Guarantee by executing and delivering to each holder an Accession Deed in the form of Annex II hereto, in which case each such Member shall, from and after the date of the execution and delivery of such Accession Deed, be for all purposes a “Member Guarantor” hereunder, and each such Member Guarantor shall be deemed to have made the representations and warranties in Section 3 hereof to each holder as of such date.

5.09 Shareholder Ratification. Each Member Guarantor that is a shareholder of another Member Guarantor hereby ratifies and confirms the entry by such other Member Guarantor into, and the performance by such other Member Guarantor of all of its obligations under, this Deed of Guarantee.

5.10 Deed Poll. This Deed of Guarantee shall take effect as a Deed Poll for the benefit of the Holders from time to time and for the time being.

5.11 Taxes. The Member Guarantors will pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Deed of Guarantee in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, this Deed of Guarantee, and will save each Holder to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Member Guarantors hereunder.

5.12 Governing Law. This Deed of Guarantee shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

5.13 Counterparts. This Deed of Guarantee may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

EXECUTED AS A DEED by the Member Guarantors as of the day and year first above written.

[MEMBER GUARANTOR]

By: _____

Name:

Title:

Member Guarantors

<u>Name</u>	<u>Place of Incorporation</u>	<u>Address</u>
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[Form of Accession Deed]

ACCESSION DEED

THIS DEED POLL is made on [insert date] by [insert name of Member Guarantor] (ABN _____) (incorporated in [insert name of jurisdiction]) of [insert address of Member Guarantor] ("**Member Guarantor**").

RECITALS:

- A. Under a Deed of Guarantee ("**Deed of Guarantee**") dated 25 July 2012 executed by each Initial Member Guarantor in favour of each person who is from time to time a holder ("**Holder**") of one or more of any of the (i) U.S.\$150,000,000 3.68% Series D Guaranteed Senior Notes due 2019, (ii) U.S.\$200,000,000 4.27% Series E Guaranteed Senior Notes due 2022, (iii) U.S.\$150,000,000 4.42% Series F Guaranteed Senior Notes due 2024 and (iv) A\$100,000,000 7.04% Series G Guaranteed Senior Notes due 2022, in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia ("**FOXTEL Management**"), in its own capacity (in such capacity, the "**Company**"), pursuant to the Note and Guarantee Agreement dated as of September 24, 2009, among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) ("**Sky Cable**"), Telstra Media Pty Limited (ABN 72 069 799 640) ("**Telstra Media**" and, together with Sky Cable, the "**Partners**"), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership, and each of the purchasers listed in Schedule A attached thereto, a person may become a Member Guarantor by execution of this deed poll.
- B. The Member Guarantor wishes to guarantee to each Holder the Guaranteed Obligations and to become a Member Guarantor.

THIS DEED POLL WITNESSES as follows:

1. Definitions and interpretation

- (a) In this deed poll words and phrases defined in the Deed of Guarantee have the same meaning.

(b) In this deed poll:

“**Additional Member Guarantor**” means any person that has become a Member Guarantor (since the date of execution of the Deed of Guarantee) by execution of an Accession Deed;

“**Existing Member Guarantor**” means an Initial Member Guarantor or an Additional Member Guarantor and which, in either case, has not been released from the Deed of Guarantee;

“**Guaranteed Obligations**” has the same meaning as in the Deed of Guarantee;

“**Holder**” has the meaning given in Recital A above; and

“**Initial Member Guarantor**” means each Person that shall have initially executed and delivered the Deed of Guarantee.

(c) In this deed poll:

(1) A reference to the Deed of Guarantee includes all amendments or supplements to, or replacements or novations of, either of them; and

(2) a reference to a Holder includes its successors and permitted assigns.

2. Guarantee

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Member Guarantor hereby jointly and severally with each Existing Member Guarantor absolutely, irrevocably and unconditionally guarantees to each Holder the due and punctual payment and performance of the Guaranteed Obligations.

3. Representations and Warranties

The Member Guarantor represents and warrants as set out in Section 3 of the Deed of Guarantee.

4. Status of Guarantor

The Member Guarantor agrees that it hereby becomes a “Member Guarantor” as defined in, and for all purposes under, the Deed of Guarantee as if named in and as a party to the Deed of Guarantee, and accordingly is bound by the Deed of Guarantee as a Member Guarantor.

5. Benefit of deed poll

This deed poll is given in favour of and for the benefit of:

(a) each Holder; and

(b) each Existing Member Guarantor;

and their respective successors and permitted assigns.

6. Address for notices

The details for the Member Guarantor for service of notices are:

Email:

Address:

Attention:

Facsimile:

7. Jurisdiction and process

The provisions of Section 5.03 of the Deed of Guarantee shall apply, *mutatis mutandis*, to this deed poll as if set out in full.

8. Governing law and jurisdiction

This deed poll shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

[MEMBER GUARANTOR]

By: _____

Name:

Title:

[FORM OF QP TRANSFER CERTIFICATE]**QP TRANSFER CERTIFICATE**

Reference is made to the Note and Guarantee Agreement dated as of July 25, 2012 (as from time to time amended, the “**Note and Guarantee Agreement**”), between FOXTEL Management Pty Limited (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**” and, the Guarantor, together with the Company, collectively, the “**Obligor**”), and the purchasers listed in Schedule A thereto.

Capitalized terms used in this QP Transfer Certificate but not defined herein are used as defined in the Note and Guarantee Agreement.

The undersigned transferee of Notes hereby represents and warrants to the Obligor as follows:

(1) The undersigned **[circle either clause (a) or clause (b) below]**:

(a) is not a “U.S. person”, as defined in Rule 902(k) under the United States Securities Act of 1933, as amended; **or**

(b) is a “qualified purchaser”, as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder; **and**

(2) The undersigned will not offer, sell, pledge or otherwise transfer any Note unless the transferee thereof delivers a QP Transfer Certificate to the Obligor, as set forth in Section 15.2 of the Note and Guarantee Agreement.

[INSERT NAME OF TRANSFEREE]

By: _____
 Name:
 Title:

Dated: _____

DEED OF GUARANTEE

DEED POLL DATED: 25 July 2012

BY: The Companies listed in Annex I hereto, whose place of incorporation and address are specified therein (each a “**Member Guarantor**” and collectively, the “**Member Guarantors**”).

In favour of each person who is from time to time a Holder of one or more of any of the (i) U.S.\$150,000,000 3.68% Series D Guaranteed Senior Notes due 2019, (ii) U.S.\$200,000,000 4.27% Series E Guaranteed Senior Notes due 2022, (iii) U.S.\$150,000,000 4.42% Series F Guaranteed Senior Notes due 2024 and (iv) A\$100,000,000 7.04% Series G Guaranteed Senior Notes due 2022 (collectively, together with all notes delivered in substitution or exchange for any of said notes pursuant to the Note and Guarantee Agreement referred to below, the “**Notes**”), in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia (“**FOXTEL Management**”), in its own capacity (in such capacity, the “**Company**”), pursuant to the Note and Guarantee Agreement dated as of 25 July 2012 (as amended, modified or supplemented from time to time, the “**Note and Guarantee Agreement**”), among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) (“**Sky Cable**”), Telstra Media Pty Limited (ABN 72 069 799 640) (“**Telstra Media**” and, together with Sky Cable, the “**Partners**”), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership (in all such capacities, the “**Guarantor**”), and each of the purchasers listed in Schedule A attached thereto.

Section 1. Definitions. Terms defined in the Note and Guarantee Agreement are used herein as defined therein.

Section 2. The Guarantee.

2.01 The Guarantee. It is acknowledged that the Company shall use the proceeds from the sale of the Notes to repay existing Indebtedness and for other general corporate purposes to the benefit of the FOXTEL Group, of which the Company and the Member Guarantors are a part. For such valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Member Guarantor hereby unconditionally, absolutely and irrevocably guarantees, on a joint and several basis, to each holder of a Note (each, a “**Holder**”) (a) the prompt payment in full, in U.S. Dollars, in the case of U.S. Dollar Notes, or Australian Dollars, in the case of the Series G Notes, when due (whether at stated maturity, by acceleration, by optional prepayment or otherwise) of the principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, and interest on the Notes (including, without limitation, any interest on any overdue principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and, to the extent permitted by applicable law, on any overdue interest and on amounts described in Section 13 of the Note and Guarantee Agreement) and all other amounts from time to time owing by the Company under the Note and Guarantee Agreement and under the Notes (including, without limitation, costs, expenses and taxes), and (b) the prompt performance and observance by the Company of all covenants, agreements and conditions on its part to be performed and observed under the Note and Guarantee

Agreement, in each case strictly in accordance with the terms thereof (such payments and other obligations being herein collectively called the “**Guaranteed Obligations**”). Each Member Guarantor hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, each Member Guarantor will (x) promptly pay or perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by optional prepayment or otherwise) in accordance with the terms of such extension or renewal and (y) pay to any Holder such amounts, to the extent lawful, as shall be sufficient to pay the reasonable costs and expenses of collection or of otherwise enforcing any of such Holder’s rights under the Note and Guarantee Agreement, including, without limitation, reasonable counsel fees.

All obligations of the Member Guarantors under this Section 2.01 shall survive the transfer of any Note, and any obligations of the Member Guarantors under this Section 2.01 with respect to which the related underlying obligation of the Company is expressly stated to survive the payment of any Note shall also survive the payment of such Note.

2.02 Obligations Unconditional. (a) The obligations of the Member Guarantors under Section 2.01 are joint and several and constitute a present and continuing guaranty of payment and not collectibility and are absolute, irrevocable and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Company under the Note and Guarantee Agreement, the Notes or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 2.02 that the obligations of the Member Guarantors hereunder shall be absolute, irrevocable and unconditional, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of any Member Guarantor hereunder which shall remain absolute, irrevocable and unconditional as described above:

(1) any amendment or modification of any provision of the Note and Guarantee Agreement or any of the Notes or any assignment or transfer thereof, including without limitation the renewal or extension of the time of payment of any of the Notes or the granting of time in respect of such payment thereof, or of any furnishing or acceptance of security or any additional guarantee or any release of any security or guarantee (including the release of any other Member Guarantor as contemplated by Section 5.07) so furnished or accepted for any of the Notes;

(2) any waiver, consent, extension, granting of time, forbearance, indulgence or other action or inaction under or in respect of the Note and Guarantee Agreement or the Notes, or any exercise or non-exercise of any right, remedy or power in respect hereof or thereof;

(3) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to the Company, the Guarantor or any other Person or the properties or creditors of any of them;

(4) the occurrence of any Default or Event of Default under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect in, the Note and Guarantee Agreement, the Notes or any other agreement;

(5) any transfer or purported transfer of any assets to or from the Company or the Guarantor, including without limitation, any invalidity, illegality of, or inability to enforce, any such transfer or purported transfer, any consolidation or merger of the Company or the Guarantor with or into any Person, any change in the ownership of any shares of capital stock or other equity interests of the Company or the Guarantor, or any change whatsoever in the objects, capital structure, constitution or business of the Company or the Guarantor;

(6) any default, failure or delay, willful or otherwise, on the part of the Company or the Guarantor or any other Person to perform or comply with, or the impossibility or illegality of performance by the Company or the Guarantor or any other Person of, any term of the Note and Guarantee Agreement, the Notes or any other agreement;

(7) any suit or other action brought by, or any judgment in favour of, any beneficiaries or creditors of, the Company or the Guarantor or any other Person for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of the Note and Guarantee Agreement, the Notes, any other Member Guarantee given by another Member Guarantor or any other agreement;

(8) any lack or limitation of status or of power, incapacity or disability of the Company or the Guarantor or any trustee or agent thereof; or

(9) any other thing, event, happening, matter, circumstance or condition whatsoever, not in any way limited to the foregoing (other than the indefeasible payment in full of the Guaranteed Obligations).

(b) The guarantee under this Section 2 is a guarantee of payment and not collectibility and each Member Guarantor hereby unconditionally waives diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that any Holder exhaust any right, power or remedy against the Company or the Guarantor under the Note and Guarantee Agreement or the Notes or any other agreement or instrument referred to herein or therein, or against any other Member Guarantor, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

(c) In the event that any Member Guarantor shall at any time pay any amount on account of the Guaranteed Obligations or take any other action in performance of its obligations hereunder, such Member Guarantor shall not exercise any subrogation or other rights hereunder or under the Notes and such Member Guarantor hereby waives all rights it may have to exercise any

such subrogation or other rights, and all other remedies that it may have against the Company, the Guarantor or any other Member Guarantor, in respect of any payment made hereunder unless and until the Guaranteed Obligations shall have been indefeasibly paid in full. If any amount shall be paid to any Member Guarantor on account of any such subrogation rights or other remedy, notwithstanding the waiver thereof, such amount shall be received in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof. Each Member Guarantor agrees that its obligations under this Deed of Guarantee shall be automatically reinstated if and to the extent that for any reason any payment (including payment in full) by or on behalf of the Company is rescinded or must be otherwise restored by any Holder, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid.

The guarantee in this Section 2 is a continuing guarantee and indemnity and shall apply to the Guaranteed Obligations whenever arising. Each default in the payment or performance of any of the Guaranteed Obligations shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs. This Section 2 is a principal and independent obligation and, except for stamp duty purposes, is not ancillary or collateral to another document, agreement, right or obligation.

If an event permitting or causing the acceleration of the maturity of the principal amount of the Notes shall at any time have occurred and be continuing and such acceleration (and the effect thereof on the Guaranteed Obligations) shall at such time be prevented by reason of the pendency against the Company or any other Person of a case or proceeding under a bankruptcy or insolvency law, each Member Guarantor agrees that, for purposes of this Deed of Guarantee and its obligations hereunder, the maturity of the principal amount of the Notes shall be deemed to have been accelerated (with a corresponding effect on the Guaranteed Obligations) with the same effect as if the Holders had accelerated the same in accordance with the terms of the Note and Guarantee Agreement, and each Member Guarantor shall forthwith pay such principal amount, any interest thereon, any Make-Whole Amount and any other amounts guaranteed hereunder without further notice or demand.

2.03 Exclusion of Subrogation and Other Rights. Until each Holder has received payment of all the Guaranteed Obligations owed to it and each Holder is satisfied that it will not have to repay any money received by it in connection with the Guaranteed Obligations, each Member Guarantor must not (either directly or indirectly):

- (a) claim, exercise or attempt to exercise a right of set-off or any other right which might reduce or discharge such Member Guarantor's liability under this Deed of Guarantee;
- (b) claim or exercise a right of subrogation or a right of contribution or otherwise claim the benefit of any guarantee, security interest or negotiable instrument held or given, whether before or after this Deed of Guarantee is executed, as security for or otherwise in connection with the Guaranteed Obligations; or

(c) unless each Holder has given a written direction to do so, (i) prove, claim or exercise voting rights in the winding up of the Company, the Guarantor or another Member Guarantor in competition with such Holder, (ii) if a demand has been made by a Holder hereunder, claim or receive the benefit of a distribution, dividend or payment arising out of the winding up of the Company, the Guarantor or another Member Guarantor or (iii) if a demand has been made by a Holder hereunder, demand, or accept payment of, any money owed to such Member Guarantor by the Company, the Guarantor or any other Member Guarantor.

2.04 No Claim in Winding Up; Limitation on Set Off. Despite any liability of the Company, the Guarantor or any Member Guarantor to any Member Guarantor, no Member Guarantor has a debt provable in the winding up of the Company, the Guarantor or any Member Guarantor unless:

- (a) each Holder has received all of the Guaranteed Obligations owed to it and has notified the Member Guarantors in writing that it is satisfied that it will not have to repay any money received by it in reduction of the Guaranteed Obligations; or
- (b) each Holder has given a written direction to the Member Guarantors to prove such debt in the winding up of the Company, the Guarantor or any Member Guarantor, as the case may be.

Each Member Guarantor agrees that if the Company, the Guarantor or any Member Guarantor is wound up no set-off between mutual debts of any Member Guarantor and the Company, the Guarantor or any Member Guarantor will occur until any such Member Guarantor has a provable debt.

2.05 No Marshalling. No Holder need resort to any other Member Guarantee, any other guarantee or security interest before exercising a power under this Deed of Guarantee.

2.06 Exercise of Holders' Rights. (a) Each Holder may in its absolute discretion (i) demand payment of the Guaranteed Obligations from all or any of the Member Guarantors and (ii) proceed against all or any of them; and

(b) No Holder is obligated to exercise any of such Holder's rights under this Deed of Guarantee against (i) all of the Member Guarantors or (ii) any of the Member Guarantors (even if the Holder has exercised rights against another Member Guarantor) or (iii) two or more of the Member Guarantors at the same time.

2.07 Rescission of Payment. Whenever any of the following occurs for any reason (including under any law relating to bankruptcy, insolvency, liquidation, fiduciary obligations or the protection of creditors generally):

- (a) all or part of any transaction of any nature (including any payment or transfer) made during the term of this Deed of Guarantee which affects or relates in any way to the Guaranteed Obligations is void, set aside or voidable;

- (b) any claim that anything contemplated by paragraph (a) is so upheld, conceded or compromised; or
- (c) any Holder is required to return or repay any money or asset received by it under any such transaction or the equivalent in value of that money or asset,

the relevant Holder will immediately become entitled against each Member Guarantor to all rights in respect of the Guaranteed Obligations which it would have had if all or the relevant part of the transaction or receipt had not taken place. Each Member Guarantor shall indemnify each Holder against any resulting loss, cost or expense. This clause shall continue after this Deed of Guarantee is discharged.

2.08 Limitation. Anything herein to the contrary notwithstanding, the liability of any Member Guarantor under this Deed Guarantee shall in no event exceed an amount equal to the maximum amount which can be guaranteed by such Member Guarantor under applicable laws relating to the insolvency of debtors and fraudulent conveyance.

2.09 Indemnity. (a) If any Guaranteed Obligations (or moneys which would have been Guaranteed Obligations if it had not been irrecoverable) are irrecoverable by any Holder from (x) any Transaction Party; or (y) any Member Guarantor on the footing of a guarantee, the Member Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation shall:

(1) indemnify each Holder against any loss suffered, paid or incurred by that Holder in relation to the non-payment of such money; and

(2) pay such Holder an amount equal to such money.

(b) Section 2.09(a) applies to the Guaranteed Obligations (or money which would have been Guaranteed Obligations if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:

(1) they are or may be irrecoverable because of any event described in Section 2.02(a);

(2) the transactions or any of them relating to that money are void or illegal or avoided or otherwise unenforceable;

(3) any matters relating to the Guaranteed Obligations are or should have been within the knowledge of any Holder; and

(4) they are or may be irrecoverable because of any other fact or circumstance (other than the indefeasible payment in full of the Guaranteed Obligations).

Section 3. Representations and Warranties. Each Member Guarantor represents and warrants to the Holders that:

3.01 Organization; Power and Authority. Such Member Guarantor is a corporation or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Such Member Guarantor has the corporate or other organizational power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Deed of Guarantee and to perform the provisions hereof.

3.02 Authorization, etc. This Deed of Guarantee has been duly authorized by all necessary corporate or other organizational action on the part of such Member Guarantor, and this Deed of Guarantee constitutes a legal, valid and binding obligation of such Member Guarantor enforceable against such Member Guarantor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.03 Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by such Member Guarantor of this Deed of Guarantee will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Member Guarantor under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum or articles of association, partnership agreement, regulations or by-laws or other organizational document, or any other agreement or instrument to which such Member Guarantor is bound or by which such Member Guarantor or any of its properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Member Guarantor or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Member Guarantor.

3.04 Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by such Member Guarantor of this Deed of Guarantee including, without limitation, any thereof required in connection with the obtaining of U.S. Dollars or Australian Dollars, as applicable, to make payments under this Deed of Guarantee and the payment of such U.S. Dollars or Australian Dollars, as applicable, to Persons resident in the United States of America, Canada, Japan or Australia, as the case may be, except for any consents, approvals, authorizations, registrations, filings or declarations which have been made or obtained and are in full force and effect. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in the jurisdiction of organization of such Member Guarantor of this Deed of Guarantee, that this Deed of Guarantee or any other document be filed,

recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax, except for any filings, recordations, enrollments or stamps which have been made or obtained and are in full force and effect.

3.05 Taxes. No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of or in the jurisdiction of organization of such Member Guarantor or any political subdivision thereof or therein will be incurred by such Member Guarantor or any Holder of a Note as a result of the execution or delivery of this Deed of Guarantee, except for any Taxes which have been paid.

3.06 Solvency. Such Member Guarantor is solvent and able to pay all its debts as and when they fall due and such Member Guarantor will not be rendered insolvent as a result of entering into the transactions contemplated by this Deed of Guarantee (after taking into consideration contingencies and contribution from others).

3.07 Ranking. Such Member Guarantor's payment obligations under this Deed of Guarantee constitute direct and general obligations of such Member Guarantor and rank at least *pari passu* in right of payment, without preference or priority, with all other unsecured and unsubordinated Indebtedness of such Member Guarantor.

Section 4. Tax Indemnity. All payments whatsoever under this Deed of Guarantee will be made by the relevant Member Guarantor in lawful currency of the United States of America (in the case of payments in respect of the U.S. Dollar Notes) or Australia (in the case of payments in respect of the Series G Notes) free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States, Canada (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Canada), Japan (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Japan) or Australia (in the case of any holder of Notes incorporated, organized or resident for tax purposes in Australia) (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by any Member Guarantor under this Deed of Guarantee, such Member Guarantor will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each Holder such additional amounts as may be necessary in order that the net amounts paid to such Holder pursuant to the terms of this Deed of Guarantee, after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such Holder under the terms of this Deed of Guarantee before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

- (a) any Excluded Tax;

(b) with respect to a Holder, provided that such Member Guarantor is registered under the laws of Australia, any Tax that would not have been imposed but for any breach by such Holder of any representation made or deemed to have been made by such Holder pursuant to Section 6.3(a), 6.3(c) or 6.3(d) of the Note and Guarantee Agreement;

(c) any Tax that would not have been imposed had any such Holder that is an Australian tax resident or holds the Note in connection with a permanent establishment in Australia provided such Member Guarantor with:

(i) its Australian business number; or

(ii) its Australian tax file number or evidence of an exemption from providing an Australian tax file number;

(d) any Tax that would not have been imposed but for the existence of any present or former connection between such Holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, trust, partnership or corporation or any Person other than the Holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and Australia or any other Taxing Jurisdiction in which such Member Guarantor is organized, other than the mere holding of the relevant Note with the benefit of this Deed of Guarantee or the receipt of payments thereunder or hereunder, including, without limitation, such Holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for such Member Guarantor, after the date that such Member Guarantor so became a Member Guarantor, changing its jurisdiction of organization to the Taxing Jurisdiction imposing the relevant Tax;

(e) any Tax that would not have been imposed but for the delay or failure by such Holder (following a written request by any Member Guarantor) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such Holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such Holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such Holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such Holder, and provided further that such Holder shall be deemed to have satisfied the requirements of this clause (e) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of any Member Guarantor no later than 45 days after receipt by such Holder of such written request (accompanied by copies of such Forms and related instructions, if any); or

(f) any combination of clauses (a), (b), (c), (d) and (e) above;

and provided further that in no event shall any Member Guarantor be obligated to pay such additional amounts to any Holder (i) not resident in the United States of America, Canada, Japan, Australia or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that such Member Guarantor would be obligated to pay if such holder had been a resident of the United States of America, Canada, Japan, Australia or such other jurisdiction, as applicable (and, to the extent applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America, Canada, Japan, Australia or such other jurisdiction and the relevant Taxing Jurisdiction to the extent that such eligibility would reduce such additional amounts), or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and such Member Guarantor shall have given timely notice of such law or interpretation to such Holder.

By acceptance of any Note with the benefit of this Deed of Guarantee, the relevant Holder agrees, subject to the limitations of clause (e) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by any Member Guarantor all such forms, certificates, documents and returns provided to such Holder by such Member Guarantor (collectively, together with instructions for completing the same, “**Forms**”) required to be filed by or on behalf of such Holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty and (y) provide any Member Guarantor with such information with respect to such Holder as such Member Guarantor may reasonably request in order to complete any such Forms, provided that nothing in this Section 4 shall require any Holder to provide information with respect to any such Form or otherwise if in the opinion of such Holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such Holder, and provided further that each such Holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such Holder to the relevant Member Guarantor or mailed to the appropriate taxing authority, whichever is applicable, within 45 days following a written request of any Member Guarantor (which request shall be accompanied by copies of such Form) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

On or before the date of this Deed of Guarantee, the relevant Member Guarantor will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in the relevant Taxing Jurisdiction pursuant to clause (e) of the second paragraph of this Section 4, if any, and in connection with the transfer of any Note, the relevant Member Guarantor will furnish the transferee of any Note with copies of any Form and English translation then required.

If any payment is made by any Member Guarantor to or for the account of any Holder after deduction for or on account of any Taxes, and additional amounts are paid by such Member Guarantor pursuant to this Section 4, then, if such Holder has received or been granted a refund of such Taxes, such Holder shall, to the extent that it can do so without prejudice to the

retention of the amount of such refund, reimburse to such Member Guarantor such amount as such Holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of any Holder to arrange its tax affairs in whatever manner it thinks fit and, in particular, no Holder shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (e) above) oblige any Holder to disclose any information relating to its tax affairs or any computations in respect thereof.

The relevant Member Guarantor will furnish the Holders, promptly and in any event within 60 days after the date of any payment by such Member Guarantor of any Tax in respect of any amounts paid under this Deed of Guarantee the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of such Member Guarantor, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any Holder.

If any Member Guarantor is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which such Member Guarantor would be required to pay any additional amount under this Section 4, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against any Holder, and such Holder pays such liability, then such Member Guarantor will promptly reimburse such Holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by such Member Guarantor) upon demand by such Holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If any Member Guarantor makes payment to or for the account of any Holder and such Holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such Holder shall, as soon as practicable after receiving written request from such Member Guarantor (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by such Member Guarantor, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Member Guarantors under this Section 4 shall survive the payment or transfer of any Note and the provisions of this Section 4 shall also apply to successive transferees of the Notes.

Section 5. Miscellaneous.

5.01 Amendments, Etc. This Deed of Guarantee may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Member Guarantor and the Required Holders, except that no such amendment or waiver may, without the written consent of each Holder affected thereby, amend any of Section 2.01, 2.02, 4, this Section 5.01 or Section 5.04.

5.02 Notices. All notices and communications provided for hereunder shall be in writing and sent as provided in Section 20 of the Note and Guarantee Agreement (i) if to any Holder, to the address (whether electronic or physical) specified for such Holder in the Note and Guarantee Agreement and (ii) if to any Member Guarantor, to the address for such Member Guarantor set forth in Annex I hereto.

5.03 Jurisdiction and Process; Waiver of Jury Trial.

(a) Each Member Guarantor irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, the City of New York, over any suit, action or proceeding arising out of or relating to this Deed of Guarantee or any other document executed in connection herewith. To the fullest extent permitted by applicable law, each Member Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Member Guarantor agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 5.03(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Each Member Guarantor consents to process being served by or on behalf of any Holder in any suit, action or proceeding of the nature referred to in Section 5.03(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 5.02, to National Registered Agents, Inc., at 111 Eighth Avenue, New York, NY 10011, as its agent for the purpose of accepting service of any process in the United States. Each Member Guarantor agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 5.03 shall affect the right of any Holder to serve process in any manner permitted by law, or limit any right that the Holders may have to bring proceedings against any Member Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) Each Member Guarantor hereby irrevocably appoints National Registered Agents, Inc. to receive for it, and on its behalf, service of process in the United States.

(f) EACH MEMBER GUARANTOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS DEED OF GUARANTEE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

5.04 Obligation to Make Payment in Applicable Currency.

(a) Any payment on account of an amount that is payable by any Member Guarantor under this Deed of Guarantee in respect of any amount owed under the Note and Guarantee Agreement or the Notes shall be made in the respective currency specified in the Note and Guarantee Agreement or the Notes, as the case may be. Costs, expenses and indemnities payable pursuant to any provision of this Deed of Guarantee shall be paid in either U.S. Dollars or Australian Dollars depending on the currency in which such costs and expenses are incurred and billed to the Member Guarantors.

(b) Any payment on account of an amount that is payable by any Member Guarantor in U.S. Dollars which is made to or for the account of any Holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any Member Guarantor, shall constitute a discharge of the obligation of the Member Guarantors under this Deed of Guarantee only to the extent of the amount of U.S. Dollars which such Holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such Holder from any Member Guarantor, such Member Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such Holder from and against all loss or damage arising out of or as a result of such deficiency.

(c) Any payment on account of an amount that is payable by any Member Guarantor in Australian Dollars which is made to or for the account of any Holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any Member Guarantor, shall constitute a discharge of the obligation of the Member Guarantors under this Deed of Guarantee only to the extent of the amount of Australian Dollars which such Holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Australian Dollars that could be so purchased is less than the amount of Australian Dollars originally due to such Holder from any Member Guarantor, such Member Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such Holder from and against all loss or damage arising out of or as a result of such deficiency.

(d) The indemnities contained in the foregoing clauses (a) through (c) shall, to the fullest extent permitted by law, constitute obligations separate and independent from the other obligations contained in this Deed of Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such Holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order. As used herein the term “**London Banking Day**” shall mean any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

5.05 Successors and Assigns. All covenants and other agreements of each of the Member Guarantors in this Deed of Guarantee shall bind its respective successors and assigns and shall inure to the benefit of the Holders and their respective successors and assigns.

5.06 Severability. Any provision of this Deed of Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

5.07 Termination. Notwithstanding anything to the contrary contained herein, upon any notice by the Company with respect to any Member Guarantor as provided in, and satisfying the requirements of, Section 9.8(c) of the Note and Guarantee Agreement, such Member Guarantor shall be automatically released from this Deed of Guarantee and this Deed of Guarantee shall be of no further force and effect with respect to such Member Guarantor as at the date of such notice without the need for the consent, execution or delivery of any other document or the taking of any other action by any Holder or any other Person.

5.08 Additional Member Guarantors. One or more additional Members may become party to this Deed of Guarantee by executing and delivering to each holder an Accession Deed in the form of Annex II hereto, in which case each such Member shall, from and after the date of the execution and delivery of such Accession Deed, be for all purposes a “Member Guarantor” hereunder, and each such Member Guarantor shall be deemed to have made the representations and warranties in Section 3 hereof to each holder as of such date.

5.09 Shareholder Ratification. Each Member Guarantor that is a shareholder of another Member Guarantor hereby ratifies and confirms the entry by such other Member Guarantor into, and the performance by such other Member Guarantor of all of its obligations under, this Deed of Guarantee.

5.10 Deed Poll. This Deed of Guarantee shall take effect as a Deed Poll for the benefit of the Holders from time to time and for the time being.

5.11 Taxes. The Member Guarantors will pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Deed of Guarantee in the United States, Australia or any other applicable jurisdiction or of any amendment of, or waiver or consent under or with respect to, this Deed of Guarantee, and will save each Holder to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Member Guarantors hereunder.

5.12 Governing Law. This Deed of Guarantee shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

5.13 Counterparts. This Deed of Guarantee may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

[Signature pages follow]

EXECUTED AS A DEED by the Member Guarantors as of the day and year first above written.

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **LGI INVESTMENTS 1 PTY LIMITED**:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **LGI INVESTMENTS 2 PTY
LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR UNITED**
COMMUNICATIONS PTY LIMITED:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **LGI BIDCO PTY LIMITED:**

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR UNITED HOLDINGS
PTY LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **STV PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **CHIPPAWA PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **WINDYTIDE PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **SELECTRA PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **KIDILLIA PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **DOVEVALE PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **WOLLONGONG MICROWAVE
PTY LTD:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **CTV PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **ILONA INVESTMENTS PTY.**
LTD.:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **JACOLYN PTY. LTD.:**

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **VINATECH PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **MINORITE PTY. LTD.:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR UNITED MOBILITY
PTY LTD:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR UNITED**
BROADBAND PTY LTD:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **EISA FINANCE PTY LIMITED**:

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **ARTSON SYSTEM PTY LTD:**

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR UNITED HOLDCO1**
PTY LTD:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **CONTINENTAL CENTURY
PAY TV PTY LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **UAP AUSTRALIA**
PROGRAMMING PTY LTD:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **SATURN (NZ) HOLDING
COMPANY PTY LTD:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **CENTURY UNITED**
PROGRAMMING VENTURES PTY LIMITED:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **XYZNETWORKS PTY**
LIMITED:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR SATELLITE**
VENTURES PTY LTD:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR ENTERTAINMENT
PTY LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR SERVICES PTY LTD:**

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **THE COUNTRY MUSIC**
CHANNEL PTY LIMITED:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **THE WEATHER CHANNEL**
AUSTRALIA PTY LTD:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **AUSTAR SATELLITE PTY LTD:**

/s/ Richard Freudenstein
Director Signature

RICHARD FREUDENSTEIN
Print Name

/s/ Lynette Ireland
Secretary Signature

LYNETTE IRELAND
Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **ARTIST SERVICES CABLE
MANAGEMENT PTY LIMITED:**

/s/ Peter Charles Tonagh

Director Signature

PETER CHARLES TONAGH

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **CUSTOMER SERVICES PTY
LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **FOXTEL CABLE TELEVISION
PTY LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **THE RACING CHANNEL**
CABLE-TV PTY LIMITED:

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **FOXTEL FINANCE PTY
LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **FOXTEL HOLDINGS PTY
LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with section 127 of the
Corporations Act 2001 by **FOXTEL AUSTRALIA PTY
LIMITED:**

/s/ Richard Freudenstein

Director Signature

RICHARD FREUDENSTEIN

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Executed as a deed in accordance with
section 127 of the *Corporations Act 2001*
by **CENTURY PROGRAMMING**
VENTURES CORP.:

/s/ Peter Charles Tonagh

Director Signature

PETER CHARLES TONAGH

Print Name

/s/ Lynette Ireland

Secretary Signature

LYNETTE IRELAND

Print Name

Signature Page to Deed of Guarantee

Member Guarantors

	<u>Company Name</u>	<u>Jurisdiction of Organization</u>	<u>Address</u>
1.	LGI Investments 1 Pty Limited (ACN 151 765 007)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
2.	LGI Investments 2 Pty Limited (ACN 151 767 421)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
3.	Austar United Communications Pty Limited (ACN 087 695 707)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
4.	LGI Bidco Pty Limited (ACN 151 767 449)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
5.	Austar United Holdings Pty Limited (ACN 146 562 263)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

	Company Name	Jurisdiction of Organization	Address
6.	STV Pty. Ltd. (ACN 065 312 450)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
7.	Chippawa Pty. Ltd. (ACN 068 943 635)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
8.	Windytide Pty. Ltd. (ACN 068 943 546)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
9.	Selectra Pty. Ltd. (ACN 065 367 526)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
10.	Kidillia Pty. Ltd. (ACN 068 943 608)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
11.	Dovevale Pty. Ltd. (ACN 068 943 591)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

	Company Name	Jurisdiction of Organization	Address
12.	Wollongong Microwave Pty Ltd (ACN 065 146 321)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
13.	CTV Pty. Ltd. (ACN 064 416 128)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
14.	Ilona Investments Pty. Ltd. (ACN 068 943 626)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
15.	Jacolyn Pty. Ltd. (ACN 064 744 869)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
16.	Vinatech Pty. Ltd. (ACN 065 366 314)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
17.	Minorite Pty. Ltd. (ACN 068 943 484)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

	Company Name	Jurisdiction of Organization	Address
18.	Austar United Mobility Pty Ltd (ACN 093 217 522)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
19.	Austar United Broadband Pty Ltd (ACN 089 048 439)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
20.	eisa Finance Pty Limited (ACN 086 005 585)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
21.	Artson System Pty Ltd (ACN 054 001 759)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
22.	Austar United Holdco1 Pty Ltd (ACN 093 217 513)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
23.	Continental Century Pay TV Pty Limited (ACN 059 914 840)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

	Company Name	Jurisdiction of Organization	Address
24.	UAP Australia Programming Pty Ltd (ACN 083 851 807)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
25.	Saturn (NZ) Holding Company Pty Ltd (ACN 088 052 000)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
26.	Century United Programming Ventures Pty Limited (ACN 069 957 759)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
27.	XYZnetworks Pty Limited (ACN 066 812 119)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
28.	Austar Satellite Ventures Pty Ltd (ACN 082 617 829)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
29.	Austar Entertainment Pty Limited (ACN 068 104 530)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

	Company Name	Jurisdiction of Organization	Address
30.	Austar Services Pty Ltd (ACN 068 521 880)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
31.	The Country Music Channel Pty Limited (ACN 075 911 554)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
32.	The Weather Channel Australia Pty Ltd (ACN 084 205 587)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
33.	Austar Satellite Pty Ltd (ACN 080 269 030)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
34.	Artist Services Cable Management Pty Limited (ACN 072 725 289)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
35.	Customer Services Pty Limited (ACN 069 272 117)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
36.	FOXTEL Cable Television Pty Limited (ACN 069 008 797)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

	Company Name	Jurisdiction of Organization	Address
37.	The Racing Channel Cable-TV Pty Limited (ACN 069 619 307)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
38.	FOXTEL Finance Pty Limited (ACN 151 691 897)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
39.	FOXTEL Holdings Pty Limited (ACN 151 690 327)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
40.	FOXTEL Australia Pty Limited (ACN 151 691 753)	Australia	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer
41.	Century Programming Ventures Corp.	Nevada, United States of America	5 Thomas Holt Drive North Ryde NSW 2113 Australia Attention: Peter Tonagh, Chief Operating Officer

[Form of Accession Deed]

ACCESSION DEED

THIS DEED POLL is made on [insert date] by [insert name of Member Guarantor] (ABN _____) (incorporated in [insert name of jurisdiction]) of [insert address of Member Guarantor] ("**Member Guarantor**").

RECITALS:

- A. Under a Deed of Guarantee ("**Deed of Guarantee**") dated 25 July 2012 executed by each Initial Member Guarantor in favour of each person who is from time to time a holder ("**Holder**") of one or more of any of the (i) U.S.\$150,000,000 3.68% Series D Guaranteed Senior Notes due 2019, (ii) U.S.\$200,000,000 4.27% Series E Guaranteed Senior Notes due 2022, (iii) U.S.\$150,000,000 4.42% Series F Guaranteed Senior Notes due 2024 and (iv) A\$100,000,000 7.04% Series G Guaranteed Senior Notes due 2022, in each case issued by FOXTEL MANAGEMENT PTY LIMITED (ABN 65 068 671 938), a company registered under the laws of Australia ("**FOXTEL Management**"), in its own capacity (in such capacity, the "**Company**"), pursuant to the Note and Guarantee Agreement dated as of September 24, 2009, among the Company, Sky Cable Pty Limited (ABN 14 069 799 640) ("**Sky Cable**"), Telstra Media Pty Limited (ABN 72 069 799 640) ("**Telstra Media**" and, together with Sky Cable, the "**Partners**"), FOXTEL Management, in its capacity as agent for the Partners as a partnership carrying on the business of the FOXTEL Partnership and as agent for the FOXTEL Television Partnership, and each of the purchasers listed in Schedule A attached thereto, a person may become a Member Guarantor by execution of this deed poll.
- B. The Member Guarantor wishes to guarantee to each Holder the Guaranteed Obligations and to become a Member Guarantor.

THIS DEED POLL WITNESSES as follows:

1. Definitions and interpretation

- (a) In this deed poll words and phrases defined in the Deed of Guarantee have the same meaning.

(b) In this deed poll:

“**Additional Member Guarantor**” means any person that has become a Member Guarantor (since the date of execution of the Deed of Guarantee) by execution of an Accession Deed;

“**Existing Member Guarantor**” means an Initial Member Guarantor or an Additional Member Guarantor and which, in either case, has not been released from the Deed of Guarantee;

“**Guaranteed Obligations**” has the same meaning as in the Deed of Guarantee;

“**Holder**” has the meaning given in Recital A above; and

“**Initial Member Guarantor**” means each Person that shall have initially executed and delivered the Deed of Guarantee.

(c) In this deed poll:

(1) A reference to the Deed of Guarantee includes all amendments or supplements to, or replacements or novations of, either of them; and

(2) a reference to a Holder includes its successors and permitted assigns.

2. Guarantee

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Member Guarantor hereby jointly and severally with each Existing Member Guarantor absolutely, irrevocably and unconditionally guarantees to each Holder the due and punctual payment and performance of the Guaranteed Obligations.

3. Representations and Warranties

The Member Guarantor represents and warrants as set out in Section 3 of the Deed of Guarantee.

4. Status of Guarantor

The Member Guarantor agrees that it hereby becomes a “Member Guarantor” as defined in, and for all purposes under, the Deed of Guarantee as if named in and as a party to the Deed of Guarantee, and accordingly is bound by the Deed of Guarantee as a Member Guarantor.

5. Benefit of deed poll

This deed poll is given in favour of and for the benefit of:

(a) each Holder; and

(b) each Existing Member Guarantor;

and their respective successors and permitted assigns.

6. Address for notices

The details for the Member Guarantor for service of notices are:

Email:

Address:

Attention:

Facsimile:

7. Jurisdiction and process

The provisions of Section 5.03 of the Deed of Guarantee shall apply, *mutatis mutandis*, to this deed poll as if set out in full.

8. Governing law and jurisdiction

This deed poll shall be governed by and construed in accordance with the laws of the State of New South Wales in the Commonwealth of Australia.

[MEMBER GUARANTOR]

By: _____
Name:
Title:

NEWS CORPORATION
List of Subsidiaries

NEWS PTY LIMITED (formerly News Limited)	Australia
1Form Online Pty Ltd	Australia
A.C.N. 067 052 386 Pty Limited	Australia
A.C.N. 105 222 026 Pty Limited	Australia
A.C.N. 163 565 955 Pty Limited	Australia
Adhoc Pty. Ltd.	Australia
Advertiser Newspapers Pty Limited	Australia
Advertiser-News Weekend Publishing Company Pty. Limited	Australia
AH BR Pty Limited	Australia
Allied Press Limited	Papua New Guinea
APN AP National Sales Pty Ltd	Australia
APN Educational Media Pty Limited	Australia
APN Newspapers Pty Ltd	Australia
APN Printing Services Pty Ltd	Australia
ARM Events Pty Ltd	Australia
ARM Specialist Media Pty Ltd	Australia
Artist Services Cable Management Pty Limited	Australia
Artson System Pty Ltd	Australia
Austar Entertainment Pty Limited	Australia
Austar Satellite Pty Ltd	Australia
Austar Satellite Ventures Pty Ltd	Australia
Austar Services Pty Ltd	Australia
Austar United Broadband Pty Ltd	Australia
Austar United Communications Pty Limited	Australia
Austar United Holdco1 Pty Ltd	Australia
Austar United Holdings Pty Limited	Australia
Austar United Mobility Pty Ltd	Australia
Austin Bidco Pty Ltd	Australia
Austin Rollco Limited	Australia
Australian Independent Business Media Pty Ltd	Australia
Australian News Channel Pty Ltd	Australia
Big Sea International Ltd	Hong Kong
Binni Pty Limited	Australia
Border Newspapers Pty. Ltd.	Australia
Brickz Research Sdn Bhd	Malaysia
Brisbane Broncos (Licence) Pty Limited	Australia
Brisbane Broncos Corporation Pty Ltd (Trustee)	Australia
Brisbane Broncos Corporation Trust	Australia
Brisbane Broncos Limited	Australia
Brisbane Broncos Management Corporation Pty Ltd	Australia
Brisbane Broncos Rugby League Club Ltd	Australia
Brisbane Professional Sports Investment Pty Ltd	Australia
Business Spectator Pty Ltd	Australia
Byron Shire News Pty Ltd	Australia
Capricornia Newspapers Pty. Ltd.	Australia
Careerone Services Pty Limited	Australia
Central Queensland News Publishing Company Pty Ltd	Australia
Central Telegraph Pty Ltd	Australia
Century Programming Ventures Corp.	United States of America
Century United Programming Ventures Pty Limited	Australia
Chesterland Pty Ltd	Australia
Chinchilla Newspapers Pty. Ltd.	Australia
Chippawa Pty Ltd	Australia
Coffs Coast Re Marketing Pty Ltd	Australia

Consolidated Media Holdings Pty Limited	Australia
Continental Century Pay TV Pty Limited	Australia
Courier Newspaper Holdings Pty Limited	Australia
Courier Newspaper Management Holdings Pty Limited	Australia
Courier Newspaper Operations Pty Ltd	Australia
CTV Pty Ltd	Australia
Customer Services Pty Limited	Australia
Dalby Herald Pty. Ltd.	Australia
Davies Brothers Pty Limited	Australia
Diakrit (Thailand) Co., Ltd	Thailand
Diakrit 3D (Thailand) Co., Ltd	Thailand
Diakrit Australia Pty Limited	Australia
Diakrit Denmark ApS	Denmark
Diakrit Fastighetsmaklarservice AB	Sweden
Diakrit Holdings Co., Ltd	Thailand
Diakrit Interactive Media Aktiebolag AB	Sweden
Diakrit International (Thailand) Co., Ltd	Thailand
Diakrit International AB	Sweden
Diakrit International Limited	Hong Kong
Diakrit IT Services (Thailand) Co., Ltd	Thailand
Diakrit New Zealand Limited	New Zealand
Diakrit Norge AS	Norway
Diakrit USA Inc	USA
Double Bay Newspapers Pty Ltd	Australia
Dovevale Pty Ltd	Australia
Duvir Holdings Pty. Limited	Australia
Eastern Suburbs Newspaper Partnership	Australia
Eisa Finance Pty Limited	Australia
EP Securities Pty Limited	Australia
Finance 18.com Ltd	Hong Kong
Flagship Studio Co., Ltd	Thailand
Flatmates.com.au Pty Ltd	Australia
Fox Sports Australia B.V.	Netherlands
Fox Sports Australia Pty Limited	Australia
Fox Sports Streamco Pty Limited	Australia
Fox Sports Venues Pty Limited	Australia
Foxtel Australia Pty Limited	Australia
Foxtel Cable Television Pty Limited	Australia
Foxtel Finance Pty Limited	Australia
Foxtel Holdings Pty Limited	Australia
Foxtel Management Pty Limited	Australia
Foxtel Media Pty Limited (formerly Telstra Media Pty Limited)	Australia
Foxtel Partnership	Australia
Foxtel Television Partnership	Australia
FS (Australia) I Pty Limited	Australia
FS (Australia) II Pty Limited	Australia
Gatton Star Pty. Ltd.	Australia
Geelong Advertiser (Holdings) Proprietary Limited	Australia
General Newspapers Pty Ltd	Australia
Gladstone Newspaper Company Pty Ltd	Australia
GoHome H.K. Co. Ltd	Hong Kong
GoHome Macau Co Ltd	Hong Kong
Gold Coast Publications Pty. Limited	Australia
Gympie Times Pty. Ltd.	Australia
Hometrack Australia Pty Limited	Australia
Hometrack Nominees Pty Limited	Australia
House18.com Services Ltd	Hong Kong
Hub Online Global Pty. Ltd	Australia
Illona Investments Pty Ltd	Australia

Info-Tools Pte Ltd	Singapore
IPGA Management Services Sdn Bhd	Malaysia
iProperty (Thailand) Co., Ltd	Thailand
iProperty Group Asia Pte Ltd	Australia
iProperty Group Pty Ltd	Australia
Iproperty.com Events Sdn Bhd	Malaysia
iProperty.com Malaysia Sdn Bhd	Malaysia
iProperty.com Pty Ltd	Australia
Iproperty.com Singapore Pte Ltd	Singapore
Jacolyn Pty Ltd	Australia
Kelly Publications Pty Ltd	Australia
Kid Ruang Yu Co., Ltd	Thailand
Kidillia Pty Ltd	Australia
Kidspot.com.au Pty Ltd	Australia
Laurelgrove Pty Limited	Australia
Leader Associated Newspapers Pty. Ltd.	Australia
LGI Bidco Pty Limited	Australia
LGI Investments 1 Pty Limited	Australia
LGI Investments 2 Pty Limited	Australia
Longbeach Publications Pty. Ltd.	Australia
Main Event Television Pty Ltd	Australia
Messenger Press Proprietary Limited	Australia
Minorite Pty Ltd	Australia
Mirror Newspapers Pty Limited	Australia
Multi Channel Network Pty Ltd	Australia
Nationwide News Pty. Limited	Australia
Nationwide Newspapers Pty Limited	Australia
NCA Broadcasting Pty Ltd	Australia
NCA Ventures Pty Ltd	Australia
New Zealand News Channel Limited	New Zealand
News (NAPI) Pty Limited	Australia
News Australia Holdings Pty Limited	Australia
News Australia Pty Limited	Australia
News Classifieds Network (NCN) Pty Limited	Australia
News Corp Australia Holdings Pty Limited	Australia
News Corp Australia Investments Pty Limited	Australia
News Corp Australia Pty Limited	Australia
News Digital Media Pty Limited	Australia
News Finance Pty.	Australia
News Life Media Pty Limited	Australia
News Magazines Operations Pty Limited	Australia
News Pay TV Financing Pty Ltd	Australia
News Pay TV Investment Pty Limited	Australia
News Pay TV Pty Limited	Australia
News TV Magazines Pty Limited	Australia
NL/HIA JV Pty Limited	Australia
North Coast News Pty Ltd	Australia
Northern Star Ltd	Australia
NOVII Pty Ltd	Australia
NXE Australia Pty Limited	Australia
Observer Times (Hervey Bay) Pty. Ltd.	Australia
ozhomevalue Pty Limited	Australia
Pacific Sports Holdings Pty Limited	Australia
Pacific Sports International Pty Limited	Australia
Pay TV Management Pty Limited	Australia
Pay TV Partnership	Australia
PBL Management Pty Ltd	Australia
PBL Pay TV Pty Ltd	Australia
Perth Print Pty Ltd	Australia

Point Out Productions Pty Ltd	Australia
Post Courier Limited	Papua New Guinea
Prakard IPP Co Ltd	Thailand
Prakard.com (Hong Kong) Limited	Hong Kong
Presto Entertainment Pty Limited	Australia
Presto TV Pty Limited	Australia
Primedia Limited	Hong Kong
Property Look Pty Limited	Australia
Property.com.au Pty Ltd	Australia
PT Web Marketing Indonesia	Indonesia
Punters Paradise Pty Limited	Australia
QP Ventures Pty Limited	Australia
Queensland Entertainment Services Pty Ltd	Australia
Queensland Newspapers Pty. Ltd.	Australia
REA Austin Pty Ltd	Australia
REA Group Consulting (Shanghai) Co. Limited	China
REA Group Europe Limited	United Kingdom
REA Group Hong Kong Ltd	Hong Kong
REA Group Ltd	Australia
REA HK Co Limited	Hong Kong
REA US Holding Co. Pty Ltd	Australia
Realestate.com.au Pty Limited	Australia
Royal Children's Hospital Good Friday Appeal Limited	Australia
Sabawin Pty Limited	Australia
Saturn (NZ) Holding Company Pty Ltd	Australia
Selectra Pty Ltd	Australia
SheSpot.com.au Pty Ltd	Australia
Sky Cable Pty Limited	Australia
Smart Expo Limited	Hong Kong
Smartline Home Loans Pty Ltd	Australia
Smartline Operations Pty Limited	Australia
South Pacific Post Pty Ltd	Papua New Guinea
Sport by Numbers Pty Limited	Australia
Stanthorpe Newspaper Services Unit Trust	Australia
STV Pty Ltd	Australia
Suburban Publications Pty Limited	Australia
Sunshine Coast Newspaper Company Pty. Ltd.	Australia
Sunshine Coast Publishing Pty Ltd	Australia
Super League Pty Limited	Australia
The Bundaberg Newspaper Company Pty. Limited	Australia
The Cairns Post Proprietary Limited	Australia
The Country Music Channel Pty Limited	Australia
The Courier-Mail Children's Fund Pty Ltd	Australia
The Daily Examiner Pty Ltd	Australia
The Geelong Advertiser Proprietary Limited	Australia
The Herald and Weekly Times Pty Limited	Australia
The Longbeach Publications Unit Trust	Australia
The Mackay Printing and Publishing Company Pty Limited	Australia
The Maryborough Hervey Bay Newspaper Company Pty Ltd	Australia
The North Queensland Newspaper Company Pty Limited	Australia
The Queensland Times Pty. Limited	Australia
The South Burnett Times Pty. Ltd.	Australia
The Tweed Newspaper Co Pty Ltd	Australia
The Warwick Newspaper Pty. Limited	Australia
The Weather Channel Australia Pty Ltd	Australia
Think iProperty Sdn Bhd	Malaysia
Times Publications Holdings Pty Limited	Australia
Toowoomba Newspapers Pty. Ltd.	Australia
UAP Australia Programming Pty Ltd	Australia

United Media Pty Ltd	Australia
Vinatech Pty Ltd	Australia
Way2Bet Pty Ltd	Australia
Wespre Pty Limited	Australia
Western Star Pty. Ltd.	Australia
Whitsunday Times Unit Trust	Australia
Windfyr Pty Limited	Australia
Windytide Pty Ltd	Australia
Winston Investments Pty Ltd	Australia
Wollongong Microwave Pty Ltd	Australia
XYZnetworks Pty Limited	Australia
NEWS CORP INVESTMENTS UK & IRELAND	
102.4 Wish FM Limited	United Kingdom
Admacroft Limited	United Kingdom
Allied Radio Limited	United Kingdom
Anotherway Unlimited Company	Ireland
Babstova Limited	Ireland
Capital Radio Productions Limited	Ireland
City Broadcasting Limited	Ireland
Coldstreame Seafood Limited	United Kingdom
Cork Media Enterprise Limited	Ireland
County Media Limited	Ireland
Direct Net Access Limited	United Kingdom
Eric Bemrose Limited	United Kingdom
Festival Records International Limited	United Kingdom
First Radio Sales Limited	United Kingdom
Forever Broadcasting Limited	United Kingdom
Grand Central Broadcasting Limited	United Kingdom
Handpicked Companies Limited	United Kingdom
Independent Radio Group Limited	United Kingdom
Independent Radio News Limited	United Kingdom
KIP Limited	United Kingdom
Main Street 1035 (Pty) Limited	South Africa
Muse Recruitment 1 Limited	United Kingdom
Muse Recruitment 2 Limited	United Kingdom
Muse Recruitment Holdings Limited	United Kingdom
News 2026 Limited	United Kingdom
News Collins Holdings Limited	United Kingdom
News Collins Limited	United Kingdom
News Corp Holdings UK & Ireland	United Kingdom
News Corp Investments I Limited	United Kingdom
News Corp Investments II Limited	United Kingdom
News Corp UK & Ireland Limited	United Kingdom
News Group Newspapers Limited	United Kingdom
News International Newspapers Limited	United Kingdom
News International Pension Trustees Limited	United Kingdom
News Ireland Limited	United Kingdom
News Logistics Limited	United Kingdom
News of the World Limited	United Kingdom
News Printers Assets Limited	United Kingdom
News Printers Group Limited	United Kingdom
News Printers Southern Limited	United Kingdom
News Promotions Limited	United Kingdom
News Property Three Limited	United Kingdom
News Solutions Limited	United Kingdom
News Telemedia Europe Limited	United Kingdom
News UK & Ireland Direct Limited	United Kingdom
News UK & Ireland Limited	United Kingdom
News UK & Ireland Newspapers Limited	United Kingdom

News UK & Ireland Recruitment Holdings Limited	United Kingdom
News UK & Ireland Trading Limited	United Kingdom
News UK Automotive Limited	United Kingdom
Newsett Limited	United Kingdom
Newsprinters (Broxbourne) Limited	United Kingdom
Newsprinters (Eurocentral) Limited	United Kingdom
Newsprinters (Knowsley) Limited	United Kingdom
Newsprinters Limited	United Kingdom
NGN Editorial Pension Trustees Limited	United Kingdom
Perfecttaste Limited	United Kingdom
Pulse FM Limited	United Kingdom
Radio County Sound Limited	Ireland
Radiowave (Blackpool) Limited	United Kingdom
Recruitment Northern Ireland Limited	United Kingdom
Secondpost Limited	United Kingdom
Secondpost.com Limited	United Kingdom
Shawnee Limited	Ireland
Signal Radio Limited	United Kingdom
Simply Zesty Limited	Ireland
Simply Zesty UK Limited	United Kingdom
Soccerbet Limited	United Kingdom
Sound Digital Limited	United Kingdom
Swansea Sound Limited	United Kingdom
Switchdigital (B&H) Limited	United Kingdom
Switchdigital (London) Limited	United Kingdom
Switchdigital (S&S) Limited	United Kingdom
Switchdigital (Scotland) Limited	United Kingdom
Talk Radio UK Limited	United Kingdom
talkSPORT Limited	United Kingdom
The Digital Radio Group (London) Limited	United Kingdom
The Independent Broadcasting Corporation	Ireland
The Internet Business Limited	United Kingdom
The Sun Limited	United Kingdom
The Sunday Times Limited	United Kingdom
The Sunday Times Whisky Club Limited	United Kingdom
The Times Limited	United Kingdom
The Times Literary Supplement Limited	United Kingdom
The Wireless Group (ILRS) Limited	United Kingdom
The Wireless Group Holdings Limited	United Kingdom
Times Crosswords Limited	United Kingdom
Times Media Limited	United Kingdom
Times Newspapers Holdings Limited	United Kingdom
Times Newspapers Limited	United Kingdom
Tower 107.4 FM Limited	United Kingdom
Tower Trustees Limited	United Kingdom
Treaty Radio Limited	Ireland
TWG Payments Limited	United Kingdom
U105 Limited	United Kingdom
UNmedia Video Distribution Sdn. Bhd.	Malaysia
Unruly Group Limited	United Kingdom
Unruly Holdings Limited	United Kingdom
Unruly Media AB	Sweden
Unruly Media AS	Norway
Unruly Media GmbH	Germany
Unruly Media K.K.	Japan
Unruly Media Limited	United Kingdom
Unruly Media Pte Ltd	Singapore
Unruly Media Pty Ltd	Australia
Unruly Media Sarl	France

Wire FM (1997) Limited	United Kingdom
Wireless Connect Limited	United Kingdom
Wireless Drive Limited	United Kingdom
Wireless Group Limited	United Kingdom
Wireless Group Media (GB) Limited	United Kingdom
Wireless Group New Media Limited	United Kingdom
Wireless Radio (ROI) Limited	Ireland
Wireless Radio Limited	United Kingdom
Wolverhampton Area Radio Limited	United Kingdom
WorKazoo Limited	United Kingdom
HARPERCOLLINS PUBLISHERS L.L.C.	United States of America
Casa dos Livros Editora Ltda.	Brazil
Editora HR Ltda.	Brazil
Grupo Nelson Inc.	United States of America
HarperCollins Brasil Holdings Participações Societárias S.A.	Brazil
HarperCollins Christian Publishing, Inc.	United States of America
HarperCollins Focus, LLC	United States of America
HarperCollins Mexico, SA de CV	Mexico
The Zondervan Corporation L.L.C.	United States of America
Thomas Nelson Export Inc.	United States of America
Vida Melhor Editora S.A.	Brazil
Vida Publishers L.L.C.	United States of America
Zondervan (Republica Dominicana) S.A	Dominican Republic
HARLEQUIN ENTERPRISES LIMITED	Canada
DEI CSEP, Inc.	United States of America
Harlequin Books S.A.	Switzerland
Harlequin Digital Sales Corporation	United States of America
Harlequin Enterprises II BV/Sarl	Luxembourg
Harlequin Holdings Inc.	United States of America
Harlequin Holdings S.A.	Switzerland
Harlequin Italia Srl	Italy
Harlequin Magazines Inc.	United States of America
Harlequin Products Inc.	United States of America
Harlequin Retail Inc.	United States of America
Harlequin Sales Corporation	United States of America
HarperCollins France S.A	France
HarperCollins Germany GmbH	Germany
HarperCollins Iberica S.A.	Spain
HarperCollins Italia S.p.A.	Italy
HarperCollins Nordic AB	Sweden
HarperCollins Polska S.P. Z.o.o.	Poland
KK HarperCollins Japan (aka Kabushiki Kaisha HarperCollins Japan)	Japan
HARPERCOLLINS (UK)	United Kingdom
Authonomy Ltd	United Kingdom
BookArmy Limited	United Kingdom
Cobuild Limited	United Kingdom
Collins Bartholomew Limited	United Kingdom
Dolphin Bookclub Limited	United Kingdom
Fourth Estate Limited	United Kingdom
George Allen & Unwin (Publishers) Limited	United Kingdom
Harlequin (UK) Limited	United Kingdom
Harlequin Enterprises (Australia) Pty Ltd.	Australia
Harlequin Enterprises UK Limited	United Kingdom
Harlequin India Private Limited	India
Harper Collins Publishers India Limited	India
HarperCollins Canada Limited	Canada
HarperCollins Investments (UK) Limited	United Kingdom
HarperCollins Publishers (Holdings) Pty. Limited	Australia

HarperCollins Publishers (New Zealand) Limited	New Zealand
HarperCollins Publishers Australia Pty. Limited	Australia
HarperCollins Publishers Holdings (New Zealand)	New Zealand
HarperCollins Publishers Limited	United Kingdom
HarperCollins Publishers Ltd	Canada
HarperCollins Publishers Middle East Books Trading LLC	United Arab Emirates
HarperCollins Publishers Pension Trustee Co. Limited	United Kingdom
Leckie & Leckie Limited	United Kingdom
Letts Educational Limited	United Kingdom
Marshall Pickering Holdings Limited	United Kingdom
Mills & Boon Limited	United Kingdom
Pollokshields Printing Services Limited	United Kingdom
Thorsons Publishers Limited	United Kingdom
Thorsons Publishing Group Limited	United Kingdom
Times Books Group Limited	United Kingdom
Times Books Limited	United Kingdom
Toptrack Learning Ltd	United Kingdom
Unwin Hyman Limited	United Kingdom
William Collins Holdings Limited	United Kingdom
William Collins International Limited	United Kingdom
William Collins Sons & Company Limited	United Kingdom
NEWS PREFERRED HOLDINGS INC.	United States of America
Alesia Holdings, Inc.	United States of America
Amplify Education Holding, Inc.	United States of America
Benevolus Holdings LLC	United States of America
Checkout 51 Mobile ULC	Canada
Evergreen Trading Company L.L.C.	United States of America
Freedom Platform L.L.C.	United States of America
Freedom Platform ULC	Canada
FS Australia II LLC	United States of America
FS Australia Partnership	Australia
HarperCollins US LLC	United States of America
Heritage Media L.L.C.	United States of America
Heritage Media Services L.L.C.	United States of America
Magpie Holdings, Inc.	United States of America
Mosaic Media Ventures Pvt. Ltd.	India
NC Audience Exchange, LLC	United States of America
NC Transaction, Inc.	United States of America
NC UK Holdings Inc	United States of America
NCIH LLC	United States of America
News Alesia UK Limited	United Kingdom
News America Marketing Digital L.L.C.	United States of America
News America Marketing FSI L.L.C.	United States of America
News America Marketing In-Store L.L.C.	United States of America
News America Marketing In-Store Services L.L.C.	United States of America
News America Marketing Interactive L.L.C.	United States of America
News America Marketing Properties L.L.C.	United States of America
News Australia Holdings LLC	United States of America
News Australia Holdings Partnership	Australia
News Australia Investments Pty Ltd	Australia
News Collins Holdings Partnership	Australia
News Corp Australia Partnership	Australia
News Corp Investments LLC	United States of America
News Corp Technology, LLC	United States of America
News FHC Holdings, LLC	United States of America
News Finance Inc.	United States of America
News Group/Times Newspapers U.K., Inc.	United States of America
News Interactive Media Australia Pty Limited	Australia
News Limited of Australia, Inc.	United States of America

News Marketing Canada Corp.	Canada
News UK Finance Holdings I LLC	United States of America
News UK Finance Holdings II LLC	United States of America
NNC Insurance Services, Inc.	United States of America
NTS Technology Services Private Limited	India
NWS Digital Asia Pte. Limited	Singapore
NWS Digital India Private Limited	India
NWS NewsTech ULC	Canada
NYP Holdings, Inc.	United States of America
NYP Realty Corp.	United States of America
Ruby Newco LLC	United States of America
Smart Source Direct L.L.C.	United States of America
Storyful Americas, LLC	United States of America
Storyful Limited	Ireland
The Daily Holdings, Inc.	United States of America
Unruly Media Inc.	United States of America
MOVE, INC.	United States of America
Homebuilder.com (Delaware), Inc.	United States of America
Homestore, Inc.	United States of America
Move Sales, Inc.	United States of America
Moving.com, Inc.	United States of America
National New Homes Co., Inc.	United States of America
RealSelect, Inc.	United States of America
The Enterprise of America, Ltd	United States of America
Top Producer Systems Company	Canada
Welcome Wagon International Inc.	United States of America
DOW JONES & COMPANY, INC.	United States of America
Betten Financial News BV	Netherlands
DJBI, LLC	United States of America
Dow Jones & Company (Australia) PTY Limited	Australia
Dow Jones & Company (Malaysia) Sdn. Bhd.	Malaysia
Dow Jones & Company (Schweiz) GMBH	Switzerland
Dow Jones & Company (Singapore) PTE Limited	Singapore
Dow Jones (Japan) K.K.	Japan
Dow Jones Advertising (Shanghai) Co. Limited	China
Dow Jones AER Company, Inc.	United States of America
Dow Jones Business Interactive (U.K.) Limited	United Kingdom
Dow Jones Canada, Inc.	Canada
Dow Jones Colombia S.A.S.	Colombia
Dow Jones Consulting (Shanghai) Limited	China
Dow Jones Consulting India Private Limited	India
Dow Jones Distribution Co. (Asia), Inc.	United States of America
Dow Jones Do Brasil Serviços Econômicos Ltda.	Brazil
Dow Jones Haber Ajansi Anonim Sirketi	Turkey
Dow Jones Information Services International (HK) Ltd.	Hong Kong
Dow Jones International GMBH	Germany
Dow Jones International Ltd.	United Kingdom
Dow Jones Italia SRL	Italy
Dow Jones NBV Bulgaria EOOD	Bulgaria
Dow Jones Nederland BV	Netherlands
Dow Jones News GmbH	Germany
Dow Jones News Services (Proprietary) Limited	South Africa
Dow Jones Newswires Holdings, Inc.	United States of America
Dow Jones Publishing Company (Asia), Inc.	United States of America
Dow Jones Publishing Company (Europe), Inc.	United States of America
Dow Jones Services Limited	United Kingdom
Dow Jones Southern Holding Company, Inc.	United States of America
Dow Jones Trademark Holdings LLC	United States of America
Dow Jones WSJA Philippines, Inc.	Philippines

eFinancialNews Holdings Limited
eFinancialNews Inc.
eFinancialNews Limited
Factiva (Australia) Pty Limited
Factiva (France) S.A.R.L.
Factiva Business Information (Spain), S.L.
Factiva Limited
Factiva LLC
Factiva, Inc.
Generate Canada ULC
Generate, Inc.
MarketWatch, Inc.
MF—Dow Jones News S.r.l.
Review Publishing Company Limited
The Wall Street Journal Europe Holding, Inc.
The Wall Street Journal Europe, SPRL
VentureOne Corporation
Wall Street Journal India Publishing Private Limited

United Kingdom
United States of America
United Kingdom
Australia
France
Spain
United Kingdom
United States of America
United States of America
Canada
United States of America
United States of America
Italy
Hong Kong
United States of America
Belgium
United States of America
India

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-189932) pertaining to the News Corporation 2013 Long-Term Incentive Plan, and
- (2) Registration Statement (Form S-8 No. 333-200315) pertaining to the registration of common stock of News Corporation in connection with The Move, Inc. 2011 Incentive Plan, as amended; The Move, Inc. 2002 Stock Incentive Plan, as amended; The Move.com, Inc. 2000 Stock Incentive Plan; The Move, Inc. 1999 Stock Incentive Plan, as amended; The iPlace, Inc. 2001 Equity Incentive Plan; and The Hessel 2000 Stock Option Plan;

of our reports dated August 15, 2018, with respect to the consolidated financial statements of News Corporation and the effectiveness of internal control over financial reporting of News Corporation included in this Annual Report (Form 10-K) of News Corporation for the year ended June 30, 2018.

/s/ Ernst & Young LLP

New York, New York
August 15, 2018

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-189932) pertaining to the News Corporation 2013 Long-Term Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-200315) pertaining to the registration of common stock of News Corporation in connection with The Move, Inc. 2011 Incentive Plan, as amended; The Move, Inc. 2002 Stock Incentive Plan, as amended; The Move.Com, Inc. 2000 Stock Incentive Plan; The Move, Inc. 1999 Stock Incentive Plan, as amended; The iPlace, Inc. 2001 Equity Incentive Plan; and The Hessel 2000 Stock Option Plan;

of our report dated August 10, 2018, with respect to the combined financial statements of the Foxtel Group, which is comprised of Foxtel Partnership, Foxtel Management Pty Ltd, Customer Services Pty Ltd, Foxtel Cable Television Pty Ltd, Foxtel Television Partnership and their controlled entities, included in this Annual Report (Form 10-K) for the year ended June 30, 2018.

/s/ Ernst & Young

Sydney, Australia

August 10, 2018

Chief Executive Officer Certification

Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended

I, Robert J. Thomson, certify that:

1. I have reviewed this annual report on Form 10-K of News Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 15, 2018

By: /s/ Robert J. Thomson

Robert J. Thomson
Chief Executive Officer and Director

Chief Financial Officer Certification

Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended

I, Susan Panuccio, certify that:

1. I have reviewed this annual report on Form 10-K of News Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 15, 2018

By: /s/ Susan Panuccio

Susan Panuccio
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of News Corporation on Form 10-K for the fiscal year ended June 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned officers of News Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of News Corporation.

August 15, 2018

By: /s/ Robert J. Thomson

Robert J. Thomson
Chief Executive Officer and Director

By: /s/ Susan Panuccio

Susan Panuccio
Chief Financial Officer

**FOXTEL GROUP
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Report of Independent Auditors

To the Members of NXE Australia Pty Ltd

We have audited the accompanying combined financial statements of the Foxtel Group, which is comprised of Foxtel Partnership, Foxtel Management Pty Ltd, Customer Services Pty Ltd, Foxtel Cable Television Pty Ltd, Foxtel Television Partnership and their controlled entities. The combined financial statements comprise the combined balance sheets as of March 31, 2018 and June 30, 2017, and the related combined statements of income, comprehensive income, changes in partners' equity (deficit) and cash flows for the nine month period ended March 31, 2018 and for each of the two years in the period ended June 30, 2017, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Foxtel Group at March 31, 2018 and June 30, 2017, and the combined results of its operations and its cash flows for the nine month period ended March 31, 2018 and each of the two years in the period ended June 30, 2017 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young

Sydney, Australia

August 10, 2018

FOXTEL GROUP
COMBINED STATEMENTS OF INCOME
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	For the period ended March 31,	For the years ended June 30,	
	2018	2017	2016
Revenues (including \$633,543, \$891,213 and \$817,527, respectively from related parties)	\$ 2,326,928	\$ 3,199,572	\$ 3,265,100
Operating expenses (including \$629,464, \$832,090 and \$779,462, respectively to related parties)	(1,453,751)	(1,832,764)	(1,774,997)
Selling, general and administrative	(434,966)	(610,610)	(663,504)
Depreciation and amortization	(238,976)	(285,576)	(318,380)
Impairment and restructuring charges (Note 3)	(6,558)	(83,029)	(9,855)
Other, net	—	(77,000)	—
Equity earnings/(losses) of affiliates	6,897	4,876	(8,043)
Interest expense, net	(97,667)	(211,905)	(223,513)
Foreign exchange and other (losses)/gains on hedges, net	(2,026)	109	547
Income before income tax expense	99,881	103,673	267,355
Income tax expense	(15,794)	(23,977)	(22,700)
Net income	84,087	79,696	244,655
Less: Net loss attributable to noncontrolling interests	1,177	447	418
Net income attributable to Foxtel Group	<u>\$ 85,264</u>	<u>\$ 80,143</u>	<u>\$ 245,073</u>

The accompanying notes are an integral part of these combined financial statements.

FOXTEL GROUP
COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

Statements of comprehensive income

	<u>For the period ended March 31,</u>	<u>For the years ended June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net income	\$84,087	\$ 79,696	\$244,655
Other comprehensive (loss) / income:			
Net change in the fair value of cash flow hedges taken to equity			
(\$nil tax impact)	2,146	(15,526)	(32,182)
Unrealized holding gain / (loss) on securities (\$nil tax impact)	—	20,533	(30,800)
Unrealized holding loss on securities recycled to profit and loss			
(\$nil tax impact)	—	10,267	—
Other comprehensive income / (loss)	<u>2,146</u>	<u>15,274</u>	<u>(62,982)</u>
Comprehensive income	<u>86,233</u>	<u>94,970</u>	<u>181,673</u>
Less: Net loss / (income) attributable to noncontrolling interests	<u>1,177</u>	<u>447</u>	<u>418</u>
Comprehensive income attributable to Foxtel Group	<u>\$87,410</u>	<u>\$ 95,417</u>	<u>\$182,091</u>

The accompanying notes are an integral part of these combined financial statements.

FOXTEL GROUP
COMBINED BALANCE SHEETS
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	<u>As of</u> <u>March 31,</u> <u>2018</u>	<u>As of</u> <u>June 30,</u> <u>2017</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 62,464	\$ 30,426
Receivables, net (including \$31,311 and \$29,506 due from related parties) (Note 2 and 11)	310,845	365,800
Inventories, net (Note 4)	248,324	256,071
Derivative financial instruments (Note 9)	410	—
Prepayments (including \$6,242 and \$1,935 due from related parties) (Note 11)	150,517	159,767
Other current assets	18,982	22,570
Total current assets	<u>791,542</u>	<u>834,634</u>
Non-current assets:		
Inventories, net (Note 4)	202,340	181,884
Investments (Note 5)	4,197	5,000
Derivative financial instruments (Note 9)	113,852	128,900
Property and equipment, net (Note 6)	990,124	944,744
Intangible assets, net (Note 7)	8,329	8,329
Goodwill (Note 7)	1,933,197	1,933,197
Deferred income taxes (Note 10)	45,596	49,501
Prepayments (including \$18,214 and \$21,429 due from related parties) (Note 11)	37,567	21,496
Other non-current assets	228	317
Total assets	<u>\$ 4,126,972</u>	<u>\$ 4,108,002</u>
Liabilities and Equity:		
Current liabilities:		
Trade payables (third parties)	304,425	357,172
Trade payables (related parties) (Note 11)	91,474	146,256
Accrued expenses and other payables	200,258	276,472
Deferred revenue	124,969	122,700
Derivative financial instruments (Note 9)	4,142	12,860
Other current liabilities	84,887	70,068
Total current liabilities	<u>810,155</u>	<u>985,528</u>
Non-current liabilities:		
Borrowings (third parties) (Note 8)	2,265,050	2,145,232
Borrowings (related parties) (Note 8)	—	962,351
Derivative financial instruments (Note 9)	29,440	37,738
Deferred revenue	94,822	85,602
Deferred income taxes (Note 10)	1,814	117
Other non-current liabilities	55,753	94,995
Total liabilities	<u>\$ 3,257,034</u>	<u>\$ 4,311,563</u>
Commitments and contingencies (Note 12)		
Equity/(deficit): (Note 2)		
Partners' capital	2,044,916	1,057,650
Accumulated deficit	(1,128,396)	(1,213,660)
Accumulated other comprehensive loss	(45,055)	(47,201)
Total Foxtel Group's equity/(deficit)	<u>871,465</u>	<u>(203,211)</u>
Noncontrolling interest	(1,527)	(350)
Total equity/(deficit)	<u>869,938</u>	<u>(203,561)</u>
Total liabilities and equity/(deficit)	<u>\$ 4,126,972</u>	<u>\$ 4,108,002</u>

The accompanying notes are an integral part of these combined financial statements.

FOXTEL GROUP
COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	For the period ended March 31,	For the years ended June 30,	
	2018	2017	2016
Cash flows from operating activities:			
Net income	\$ 84,087	\$ 79,696	\$ 244,655
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	238,976	285,576	318,380
Impairment and restructuring charges	778	5,252	—
Fair value measurement on listed securities (Ten Network Holdings)	—	77,000	—
Equity (earnings) / losses of affiliates	(6,897)	(4,876)	8,043
Deferred income taxes	5,602	4,221	(4,106)
Fair value adjustments and foreign currency translation	3,052	(5,895)	(12,838)
Non cash interest accrued on loan from partners	24,915	59,771	—
Changes in operating assets and liabilities, net of acquisitions:			
Receivables, prepayments and other, net	51,811	(90,120)	(167,354)
Inventories, net	(12,709)	(20,905)	50,367
Trade payables and other liabilities	(196,525)	44,237	84,566
Net cash provided by operating activities	193,090	433,957	521,713
Cash flows from investing activities:			
Payments for property and equipment	(289,949)	(341,873)	(379,585)
Purchase of listed securities (Ten Network Holdings)	—	—	(77,000)
Sale of shares in subsidiary	—	—	1,000
Loan to equity method investee	—	(3,000)	(11,175)
Distributions from equity investee	7,700	8,400	8,750
Net cash used in investing activities	(282,249)	(336,473)	(458,010)
Cash flows from financing activities:			
Proceeds from borrowings	301,003	224,000	369,000
Other	(76,003)	76,003	—
Repayment of borrowings	(103,997)	(404,879)	(360,305)
Payment of establishment fees	—	(2,800)	—
Payment of partners distributions	—	—	(73,000)
Payment of dividends to noncontrolling interests	—	—	(239)
Net cash used in financing activities	121,003	(107,676)	(64,544)
Net increase/(decrease) in cash and cash equivalents	31,844	(10,192)	(841)
Cash and cash equivalents, beginning of year	30,426	40,418	40,688
Exchange movement on opening cash balance	200	200	571
Cash and cash equivalents, end of period	<u>\$ 62,470</u>	<u>\$ 30,426</u>	<u>\$ 40,418</u>
Supplemental disclosure:			
Interest paid—excluding net cash flows on economic hedges (undesigned swaps)	(84,384)	(152,493)	(197,685)
Interest paid—net cash flows on economic hedges (undesigned swaps)	1,329	(5,786)	(12,291)
Tax paid	(13,126)	(25,092)	(34,237)
Noncash investing and financing activities:			
Noncash capital contribution	987,266		—
Noncash loan from partner's repayment	(987,266)		

The accompanying notes are an integral part of these combined financial statements.

FOXTEL GROUP
COMBINED STATEMENTS OF PARTNERS' EQUITY/(DEFICIT)
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	<u>Partners' capital</u>	<u>Accumulated deficit</u>	<u>Accumulated other comprehensive (loss) / income</u>	<u>Total Foxtel Group's (deficit)/equity</u>	<u>Non- controlling interests</u>	<u>Total (deficit)/equity</u>
Balance, June 30, 2015	\$1,057,650	\$(1,465,446)	\$ 507	\$(407,289)	\$ 324	\$(406,965)
Net income	—	245,073	—	245,073	(418)	244,655
Transactions with non-controlling interests	—	(430)	—	(430)	430	—
Other comprehensive income:						
Unrealized holding (losses) gains on securities (\$nil tax impact)	—	—	(30,800)	(30,800)	—	(30,800)
Net change in the fair value of cash flow hedges taken to equity (\$nil tax impact)	—	—	(32,182)	(32,182)	—	(32,182)
Other comprehensive income	—	—	(62,982)	(62,982)	—	(62,982)
Partners distribution	—	(73,000)	—	(73,000)	—	(73,000)
Dividends to noncontrolling interest	—	—	—	—	(239)	(239)
Balance, June 30, 2016	\$1,057,650	\$(1,293,803)	\$(62,475)	\$(298,628)	\$ 97	\$(298,531)
Net income	—	80,143	—	80,143	(447)	79,696
Other comprehensive income:						
Unrealized holding gain on securities (\$nil tax impact)	—	—	20,533	20,533	—	20,533
Unrealized holding loss on securities recycled to the P/L (\$nil tax impact)	—	—	10,267	10,267	—	10,267
Net change in the fair value of cash flow hedges taken to equity (\$nil tax impact)	—	—	(15,526)	(15,526)	—	(15,526)
Other comprehensive income	—	—	15,274	15,274	—	15,274
Balance, June 30, 2017	1,057,650	(1,213,660)	(47,201)	(203,211)	(350)	(203,561)
Net income	—	85,264	—	85,264	(1,177)	84,087
Partner's contribution	987,266	—	—	987,266	—	987,266
Other comprehensive income:						
Net change in the fair value of cash flow hedges taken to equity (\$nil tax impact)	—	—	2,146	2,146	—	2,146
Other comprehensive income	—	—	2,146	2,146	—	2,146
Balance, March 31, 2018	<u>2,044,916</u>	<u>(1,128,396)</u>	<u>(45,055)</u>	<u>871,465</u>	<u>(1,527)</u>	<u>869,938</u>

The accompanying notes are an integral part of these combined financial statements.

FOXTEL GROUP
NOTES TO THE COMBINED FINANCIAL STATEMENTS
(ALL AMOUNTS ARE IN AUSTRALIAN DOLLARS UNLESS OTHERWISE STATED)

NOTE 1. DESCRIPTION OF BUSINESS

The Foxtel Group (see definition in Note 2, Basis of presentation and principles of combination) is the largest pay-TV provider in Australia. It is owned equally by Sky Cable Pty Limited, a subsidiary of News Corporation (hereafter both entities will be referred to as “News Corp”) and Telstra Media Pty Limited, a subsidiary of Telstra Corporation Limited (hereafter both entities will be referred to as “Telstra”), an Australian ASX-listed Telecommunications company (collectively referred to as “Partners”).

In March 2018, News Corp and Telstra entered into a definitive agreement to combine their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company. Following completion of the transaction in April 2018, News Corp owns a 65% interest in the combined company, and Telstra owns the remaining 35%.

The Foxtel Group had more than 2.6 million subscribing households throughout Australia as of March 31, 2018 through cable, satellite and IP distribution.

The Foxtel Group delivers 206 channels (including standard definition channels, high definition versions of some of those channels, and audio and interactive channels) covering news, sports, general entertainment, movies, documentaries, music and children’s programming. Foxtel’s premium content includes FOX SPORTS Australia’s suite of sports channels such as FOX SPORTS 501, FOX LEAGUE, FOX SPORTS 503, FOX FOOTY, FOX SPORTS 505, FOX SPORTS 506, FOX SPORTS MORE and FOX SPORTS NEWS, and television content from HBO, FOX and Universal, among others. Foxtel also owns and operates 30 channels, including general entertainment and movie channels, and sources an extensive range of movie programming through arrangements with major U.S. studios. Foxtel’s channels are distributed to subscribers via both Telstra’s hybrid fibrecoaxial cable network and a long-term contracted satellite platform provided by Optus. Cable and satellite distribution is enabled by Foxtel’s set-top boxes. Foxtel also offers versions of its services via the Internet through Foxtel Now, an Internet television service available on a number of compatible devices (including mobile phones, tablets, personal computers, Chromecast, Telstra TV, Sony PlayStation, Xbox One and select smart TVs), and Foxtel Go, an Internet television service that allows subscribers to watch Foxtel channels via mobile devices and tablets. Foxtel also offers a triple play bundle product, which consists of Foxtel’s existing pay-TV services, sold together with broadband and/or home phone services.

The Foxtel Group generates revenue primarily through subscription revenue as well as advertising revenue. For the period ended March 31, 2018 the Foxtel Group recorded revenues of \$2.3 billion, net income before income taxes of \$99.9 million, net interest expense of \$97.7 million, depreciation and amortization of \$239.0 million, foreign exchange and other gains on hedges, net of \$2 million, impairment and restructuring of \$6.6 million and equity earnings of affiliates, of \$6.9 million. Net cash provided by operating activities for the period ended March 31, 2018 was \$193.0 million. The Foxtel Group made cash distributions to partners of \$nil in aggregate and paid interest of \$nil million in aggregate on shareholder loans.

In May 2012, the Foxtel Group purchased Austar United Communications Pty Limited (“AUSTAR”) a subscription television business providing satellite and digital television services in regional and rural Australia. This combination created a national subscription television service in Australia. The AUSTAR transaction was funded by the Foxtel Group bank debt (“term debt”) and the partners made pro-rata capital contributions in the form of subordinated shareholder notes (“loan”) based on their respective ownership interest. These loans amounted to \$nil and \$962.4 million as at March 31, 2018 and June 30, 2017 respectively. The shareholder loan was repaid during the period ended March 31, 2018, (Note 8). This term debt is in the form of Australian dollar floating interest term debt and US private placement debt, predominantly denominated in US\$ with fixed interest rate. This debt exposes the Foxtel Group to foreign exchange currency rate risk and interest rate risk. The Foxtel Group uses a portfolio of interest rate swaps and cross currency interest rate swaps to mitigate exposure to these risks.

FOXTEL GROUP
NOTES TO THE COMBINED FINANCIAL STATEMENTS
(ALL AMOUNTS ARE IN AUSTRALIAN DOLLARS UNLESS OTHERWISE STATED)

The Foxtel Group also enter into foreign exchange contracts to convert US\$ cost exposures to the Australian dollar. Where possible, the Foxtel Group designates all derivatives to qualify for hedge accounting in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and principles of combination

In accordance with Rule 3-09 of Regulation S-X full financial statements of significant equity investments are required to be presented in the annual report of the investor. For purposes of S-X 3-09, the investee’s separate annual financial statements should only depict the period in which it was accounted for by the equity method by the investor. In April 2018, News Corp and Telstra combined their respective 50% interests in Foxtel and News Corp’s 100% interest in FOX SPORTS Australia into a new company (the “Transaction”. Following the completion of the Transaction, News Corp owns a 65% interest in new Foxtel, and Telstra owns the remaining 35% and upon consummation of the transaction, Foxtel became a consolidated subsidiary to be included in the consolidated financial statements of News Corp from April 3, 2018. Accordingly, the accompanying financial statements have been prepared for the period from July 1, 2017 to April 2, 2018 (stub nine months). For convenience purposes, all references to the period ended March 31, 2018 or as at March 31, 2018 relate to the nine months from July 1, 2017 through April 2, 2018 or as of April 2, 2018, respectively.

The financial statements are prepared in accordance with U.S. GAAP and present, on a combined basis, the historical Australian dollar balance sheets of operations, comprehensive income, cash flows and partners’ deficit of the Foxtel Partnership, Foxtel Management Pty Ltd, Customer Services Pty Ltd, Foxtel Cable Television Pty Ltd, the Foxtel Television Partnership and their controlled entities, which collectively comprise the “Foxtel Group” or “the Group.”

Controlled entities are all those entities over which the Foxtel Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights and variable interest entities in which the Foxtel Group is the primary beneficiary. Controlled entities are fully consolidated from the date on which control is transferred to the Foxtel Group. They are de-consolidated from the date that control ceases. All intercompany transactions and accounts within the Foxtel Group and its controlled entities have been eliminated. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Foxtel Group.

An entity is considered a variable interest entity (“VIE”) if it meets the criteria outlined in ASC 810, “Consolidation”, which are: (i) the entity has equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support; (ii) the entity has equity investors that, as a group, lack the characteristics of a controlling financial interest; or (iii) the legal entity is structured with non-substantive voting rights.

The Foxtel Group consolidates a VIE when it is considered the primary beneficiary and has both the power to direct the activities that most significantly impact the VIE’s economic performance and a right to receive benefits or the obligation to absorb losses of the entity that could be potentially significant to the VIE.

Reclassifications

No reclassifications have been made in the current year.

FOXTEL GROUP
NOTES TO THE COMBINED FINANCIAL STATEMENTS
(ALL AMOUNTS ARE IN AUSTRALIAN DOLLARS UNLESS OTHERWISE STATED)

Liquidity and partnership equity

The Foxtel Group's combined financial statements have been prepared in accordance with U.S. GAAP on a going concern basis. The going concern basis assumes that assets are realized and liabilities are extinguished in the ordinary course of business at amounts disclosed in the combined financial statements.

At March 31, 2018, aggregate net assets are \$869.9 million, net current liabilities are \$18.6 million and the Foxtel Group has available undrawn debt facilities of \$164.9 million. \$500 million of debt is due for repayment between April and May 2019. It is anticipated that negotiations with external financiers to secure new debt facilities to replace the maturing facilities will be completed by the end of the 2018 calendar year.

The Foxtel Group believes that the going concern basis of preparation is supported. The combined financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Foxtel Group be unable to continue as a going concern. Such adjustments could be material.

Business combinations

Business combinations are accounted for utilizing the guidance of Accounting Standards Codification ("ASC") 805, "Business Combinations". The purchase price of an acquisition is allocated to the assets acquired, including intangible assets and liabilities assumed, based on their respective fair values at the acquisition date. Any pre-acquisition contingencies, including contingent consideration, are recognized and measured at fair value (if possible) and liabilities related to contingent consideration are remeasured at fair value in each subsequent reporting period. The excess of the cost of an acquired entity over the net of the amounts assigned to the assets acquired and liabilities assumed is recognized as goodwill. The net assets and results of operations of an acquired entity are included in the Foxtel Group's combined financial statements from the acquisition date.

The total cost of business combinations and integration related costs was nil for the period ended March 31, 2018 and \$38,000 for fiscal 2017. The Foxtel Group did not incur any costs during 2016.

Use of estimates

The preparation of the Foxtel Group's combined financial statements is in conformity with U.S. GAAP and requires management to make estimates and assumptions that affect the amounts that are reported in the combined financial statements and accompanying disclosures. Areas where management uses subjective judgment include, but are not limited to, determining the provision for accounts receivable, fair value hierarchy of financial instruments, fair value of financial instruments, estimation of useful lives of long-lived and intangible assets, impairment of goodwill and estimation of useful lives of other indefinite-lived intangible assets, amortization period of deferred installation revenue and installation costs, amortization period of programming rights, accounting for deferred income taxes, other than temporary assessment for unrealized losses on available-for-sale securities and assessing the valuation of the assets and liabilities assumed in a business combination and provision for closure costs (included in other payables). Actual results could differ from those estimates.

There were no changes in accounting estimates during the period ended March 31, 2018 and fiscal 2017. For the fiscal year ended June 30, 2016, the Foxtel Group reassessed the useful lives of its cable and satellite installation and upgrade assets from four to six years. The useful lives of such assets are based on the average customer life and useful life of cable and satellite equipment. The impact on the change in useful life of the installation and upgrade assets to the combined statements of operations was a \$81.7 million reduction in the depreciation and amortisation expense and an increase in net income for the fiscal year ended June 30, 2016.

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The impact of this change also resulted in a higher 'property and equipment, net' line item and a lower 'accumulated deficit' line item on the combined balance sheets.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Concentrations of Credit Risk

Cash and cash equivalents are maintained with several financial institutions. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

The Foxtel Group has no significant concentrations of credit risk in trade receivables, as trade receivable balances are made up of a large number of individually immaterial balances. The risk is mitigated by the Foxtel Group's assessment of its customers' creditworthiness and its ongoing monitoring process of outstanding balances. The Foxtel Group maintains reserves for estimated credit losses and these losses have generally been within expectations. Trade receivables (related parties) include amounts owing from Telstra as of March 31, 2018 and June 30, 2017 of \$27.6 million and \$22.7 million, respectively. This balance was within its terms of trade and no impairment was made as of March 31, 2018 or June 30, 2017, respectively. There are no guarantees against this receivable however management closely monitors the receivable balance on a monthly basis and is in regular contact with Telstra to mitigate risk. Beginning in fiscal 2013, the Foxtel Group initiated a program whereby a portion of the monthly Telstra receivable is factored to a financial institution with no recourse. The receivables factored under this program are derecognized from the Foxtel Group's combined balance sheet and the Foxtel Group has no continuing involvement. The costs of factoring of \$2.6 million and \$3.4 million were recorded in the combined statements of operations during the period ended March 31, 2018 and fiscal year ended June 30, 2017, respectively.

The Foxtel Group monitors its positions with, and the credit quality of, the financial institutions which are counterparties to its financial instruments. The Foxtel Group would be exposed to the risk of credit loss in the event of nonperformance by the counterparties to the agreements. At March 31, 2018, the Foxtel Group did not anticipate nonperformance by any of the counterparties.

Receivables

Trade and other receivables are carried at net realizable value and are presented net of an allowance for doubtful accounts, which is an estimate of amounts that may not be collectible. The Foxtel Group's receivables did not represent significant concentrations of credit risk as of March 31, 2018 or June 30, 2017 due to the high number of low valued receivables with debtors which have limited history of default with the Foxtel Group. No customer individually represented greater than 10% of the total accounts receivable as of March 31, 2018 or June 30, 2017. Other receivables are mainly comprised of Goods and Services Tax ("GST") receivables, licensing fees and sub-licensing fees receivables. The allowances for doubtful accounts is estimated based on historical experience, significant financial difficulties of the debtor, delinquency in payments (more than 60 days overdue), current economic trends and specific identification of certain receivables that are at risk of not being paid. Receivable balances are written off after all collection effort has ceased.

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Receivables, net consist of:

	<u>As of March 31,</u>	<u>As of June 30,</u>
	<u>2018</u>	<u>2017</u>
	(in thousands)	
Trade receivables	\$256,958	\$304,965
Trade receivables (related parties)	31,311	29,506
Other receivables	23,965	41,455
Income tax receivable	4,675	2,978
Allowances for doubtful accounts	(6,064)	(13,104)
Current receivables, net	<u>\$310,845</u>	<u>\$365,800</u>

There are no allowances recorded against receivables from related parties for all periods presented.

Inventories

Inventory principally consists of acquired program rights which are recorded at the lower of amortized cost or net realizable value. In accordance with ASC 920, "Entertainment-Broadcasters," costs incurred in acquiring program rights are capitalized and amortized over the license period or projected useful life of the programming. Program rights and the related liabilities are recorded at the gross amounts of the liabilities when the license period has begun, the cost of the program is determinable and the program is accepted and available for airing. Any program rights that do not meet the criteria to be recorded are included in the commitments disclosure. All program rights and production costs for Foxtel Group produced content (original programming) are amortized on the straight-line basis over the period in which an economic benefit is expected to be derived based on the timing of the Foxtel Group's usage of and benefit from such programming. If estimates of future cash flows are insufficient or if there is no plan to broadcast certain programming, an impairment charge is recognized in the combined statements of operations.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and include all direct costs and certain indirect costs associated with new subscriber installations, other property and equipment, technical equipment, and digital set top units. Depreciation on equipment is provided using the straight-line method over an estimated useful life of the assets as follows:

Leasehold improvements	4 to 7 years
Technical equipment	5 to 7 years
Digital set top units and installations	3 to 7 years
Other property and equipment	2 to 7 years

Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the life of the lease. Costs associated with the repair and maintenance of property are expensed as incurred and betterment that extends the useful life of property and equipment are capitalized as additions to the related assets. Retirement, sale and disposals of assets are recorded by removing the cost and related accumulated depreciation with any resulting gain or loss reflected in the combined statements of operations. Changes in circumstances, such as technological advances or changes to Foxtel Group's business model or capital strategy could result in the actual useful lives differing from the Foxtel Group's estimates. In those cases where the Foxtel Group determines that the useful life should be shortened, the Foxtel Group would depreciate the asset over its revised remaining useful life, thereby increasing depreciation expense.

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In accordance with ASC 350-40 “Internal-use Software”, the Foxtel Group capitalizes certain costs incurred in connection with developing or obtaining internal use software. Costs incurred in the preliminary project stage are expensed. All direct costs incurred to develop internal use software during the development stage are capitalized and amortized using the straight-line method over the useful lives, estimated to be 2.5 years. Costs such as maintenance and training are expensed as incurred.

Leases

In accordance with ASC 840, “Leases”, leases for a lessee are classified at the inception date as either a capital lease or an operating lease.

For operating leases, minimum lease payments, including minimum scheduled rent increases, are recognized as rent expense on a straight-line basis over the applicable lease terms. The term used for straight-line rent expense is calculated initially from the date that possession is obtained of the leased premises through the expected lease termination date. Certain lease agreements contain rent holidays which are considered in determining a straight-line rent expense to be recorded over the lease term. The terms of the leases do not contain, contingent rent, or purchase options. There are no restrictions placed upon the Foxtel Group by entering into these leases.

Goodwill and intangible assets

Goodwill

Goodwill represents the excess of the purchase price over the amounts assigned to the fair value of the identifiable tangible and intangible assets acquired and the liabilities assumed of an acquired business. In accordance with ASC 350, “Goodwill and Other Intangible Assets”, (“ASC 350”) recorded goodwill amounts and other indefinite-lived intangible assets are not amortized, but rather are tested for impairment annually or more frequently if indicators of impairment are present.

Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortization and any recorded impairment. Intangible assets acquired in a business combination are recognized initially at fair value at the date of acquisition. Intangible assets with finite useful lives are amortized using the straight-line method of amortization that reflects the estimated pattern in which the economic benefits of the intangible asset are to be consumed. Intangibles with indefinite useful lives are carried at cost without amortization.

Investments

Equity method investments

Investments in and advances to equity or joint ventures in which the Foxtel Group can exercise significant influence, but does not own a majority equity interest or control, are accounted for using either the equity method of accounting in accordance with ASC 323 “Investments – Equity Method and Joint Ventures” or the fair value option in accordance with ASC 825, “Financial Instruments” (“ASC 825”). When the Foxtel Group owns an interest between 20% and 50%, it is presumed that the Foxtel Group is able to exercise significant influence.

Under the equity method of accounting the Foxtel Group includes its investment and amounts due to and from its equity method investments in its balance sheets. The Foxtel Group’s statements of operations include the Foxtel Group’s share of the investees’ (losses) /earnings and the Foxtel Group’s statements of cash flows include all cash received from or paid to the equity investee.

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The Foxtel Group's investments are comprised of a 35% investment in Nickelodeon Australia and Nickelodeon Australia Management Pty Ltd and a 50% investment in Presto TV Pty Limited (until September 30, 2016, refer to Note 3). These investments are accounted for under the equity method of accounting.

On September 21, 2016, the Foxtel Group was considered to have significant influence over its 13.84% investment in Ten Network Holdings Limited ("Ten"). The Foxtel Group elected the fair value option under ASC 825 and adjusted the carrying value of the Ten investment to fair value at each reporting period. This adjustment was recorded in net income. On March 15, 2017, the Foxtel Group lost the ability to exercise significant influence over Ten. Under ASC 825, the Foxtel Group was required to continue to measure its equity interest in Ten at fair value, recorded in net income (other, net). On June 14, 2017, Ten went into voluntary administration and trading in the company's shares was suspended going forward.

On November 16, 2017, the Australian Stock Exchange announced that leave had been granted by the courts for the Deed Administrators of Ten to transfer the shares in Ten to CBS Corporation. There was no compensation to Foxtel for the loss of title and the investment in Ten (carried at fair value of nil since June 30, 2017) ceased to exist from this date.

Other investments

Investments in which the Foxtel Group has no significant influence (generally less than a 20% ownership interest) or does not have the ability to exercise significant influence are designated as available-for-sale securities if a readily determinable market value exists. Such investments in listed securities are measured at fair value based on quoted market prices. Unrealized gains and losses on investments in listed securities are included in Accumulated other comprehensive (loss) income (AOCI), net of applicable taxes and other adjustments, until the investment is sold or considered impaired. If an investment's fair value is not readily determinable, the Foxtel Group accounts for its investment at cost.

Impairment assessments

In accordance with ASC 350, the Foxtel Group's goodwill is tested annually during the fourth quarter for impairment or earlier if events occur or circumstances change that would more likely than not reduce the fair value below its carrying amount. In assessing goodwill for impairment, the Foxtel Group has the option to first perform a qualitative assessment to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Foxtel Group determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Foxtel Group is not required to perform any additional tests in assessing goodwill for impairment. However, if the Foxtel Group concludes otherwise or elects not to perform the qualitative assessment, then it is required to perform the first step of a two-step impairment test. Under the two-step impairment test, the first step of the impairment test involves comparing the fair value of the reporting unit with its carrying amount, including goodwill. Fair value is primarily determined by computing the future discounted cash flows expected to be generated by the reporting unit. If the reporting unit's carrying value exceeds its fair value, goodwill may be impaired. If this occurs, the Foxtel Group performs the second step of the goodwill impairment test to determine the amount of impairment loss. The fair value of the reporting unit is allocated to its assets and liabilities in a manner similar to a purchase price allocation in order to determine the implied fair value of the reporting unit's goodwill. If the implied goodwill fair value is less than its carrying value, the difference is recognized as an impairment loss. A qualitative goodwill impairment test was performed as of June 30, 2017. No material impairment loss was recorded for any of the years presented.

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ASC 360, "Property, Plant and Equipment" and ASC 350 require that the Foxtel Group periodically reviews the carrying amounts of its long-lived assets, including property and equipment and finite-lived intangible assets, to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment adjustment is recognized if the carrying value of such asset exceeds its fair value. The Foxtel Group generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of assets; accordingly, actual results could vary significantly from such estimates. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell. No impairment charge was recorded for any of the years presented. Indefinite lived assets are tested annually for impairment during the final quarter, or earlier upon the occurrence of certain events of subsequent changes in circumstances.

Equity method investments are regularly reviewed to determine whether a significant event or change in circumstances has occurred that may impact the fair value of each investment. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline in market value has occurred, including the length of time and extent to which the market value has been below cost, the financial condition and near-term prospects of the issuer, the intent and ability of the Foxtel Group to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value and other factors influencing the fair market value, such as general market conditions.

The Foxtel Group also regularly reviews investments in listed securities for other-than-temporary impairment based on criteria that include the extent to which the investment's carrying value exceeds its related market value, the duration of the market decline, the Foxtel Group's ability to hold until recovery and the financial strength and specific prospects of the issuer of the security.

As of March 31, 2018 and June 30, 2017, investments (equity method and other) were not impaired.

Accrued employee liabilities

The liability for long service leave is recognized in other current and other non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted where applicable using market yields at the reporting date. Accrued liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognized in other current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received. Transaction costs are recorded within current borrowings (current portion) and non-current borrowings (long-term portion) on the combined balance sheets. They are subsequently measured at amortized cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, the loans or borrowings are classified as non-current.

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Debt may also be considered extinguished when it has been modified and the terms of new debt instruments and old debt instruments are substantially different, as that term is defined in the debt modification guidance in ASC 470-50 “Debt—Modifications and Extinguishments”.

Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product or service has been delivered and collectability is reasonably assured. The Foxtel Group considers the terms of each arrangement to determine the appropriate accounting treatment.

Subscriber revenue

Subscriber revenue represents a majority of the Foxtel Group’s revenues and is earned from pay television broadcast services, broadband and home phone services. Revenue is recognized in the period that the services are provided. Non-refundable subscriptions billed before the underlying service is provided to the customer are recorded as deferred revenue on the combined balance sheets. This revenue is then recognized in the combined statements of operations over the service period.

Other revenues

Advertising revenue is recognized in the period in which the advertising is broadcast. Installation revenue represents revenue earned from the installation of the Foxtel Group’s equipment and the connections to broadband and for home phone services at subscribers’ premises, which is recognized to the extent of subscriber acquisition costs expensed. Any amounts exceeding subscriber acquisition costs are deferred within deferred revenue on the combined balance sheets and amortized over the average life of the subscriber. Television facilities and service revenue represents revenues earned from the Foxtel Group’s services and are recognized in the period the services are provided, net of returns, trade allowances and duties and taxes paid.

Multiple-element arrangements

The Foxtel Group bundles and sells its cable, internet and phone services to its customers as part of a single arrangement. As each of the services included in the bundles are considered to be its own unit of accounting, the Foxtel Group accounts for each deliverable separately.

A separate unit of accounting exists where the deliverable has value to the customer on a stand-alone basis and any undelivered items cannot be terminated by the customer without incurring charges if the delivered item was returned.

The revenue to be recognized is allocated to each of the separate units based on the relative selling prices of each unit. If there is neither vendor specific objective evidence nor third party evidence for the selling price, then the item is measured based on the best estimate of the selling price of that unit. When allocating revenue to the separate units within an arrangement, the amount allocated to a delivered item is limited to the amount that is not contingent upon the delivery of additional items or meeting other specified performance conditions (non-contingent amount). The non-contingent revenue allocated to each unit is then recognized in accordance with the revenue recognition policies above.

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Subscriber acquisition costs

Subscriber acquisition costs primarily consist of amounts paid for third-party customer acquisitions, which consist of the cost of commissions paid to authorized retailers and dealers for subscribers added through their respective distribution channels and the cost of hardware and installation subsidies for subscribers. All costs, including hardware, installation and commissions, are expensed upon activation. However, where legal ownership of the equipment is retained, the cost of the equipment and direct and indirect installation costs are capitalized and depreciated over the useful life. Additional components of subscriber acquisition costs include the cost of print, radio and television advertising, which are expensed as incurred.

Operating expenses

Operating expenses on the combined statements of operations include costs related to satellite and broadband transmission costs, license and production costs, studio and engineering expense, and installation costs. Costs incurred for shipping and handling are reflected in 'Operating expenses' in the combined statements of operations.

Advertising expenses

The Foxtel Group expenses advertising costs as incurred in accordance with ASC 720-35, "Other Expenses – Advertising Cost." Advertising and promotional expenses recognized totaled \$86.1 million, \$114.3 million and \$110.0 million for the period ended March 31, 2018 and the fiscal years ended June 30, 2017 and 2016 respectively. Advertising expenses are recognized in 'Selling, general and administrative' in the combined statements of operations.

Translation of foreign currencies

The combined financial statements are presented in Australian dollars which is the Foxtel Group's functional and reporting currency. Foreign transactions are translated into Australian dollars using the current rate method. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing rates on the period end date are recognized in the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'.

Income tax

Foxtel Partnership and Foxtel Television Partnership are taxed as a pass-through for Australian income tax purposes. The results of operations are included in the tax returns of the respective partners and not taxed at the Foxtel Group level.

The Foxtel Group includes a number of stand-alone taxpayers (Customer Services Pty Limited, Foxtel Cable Television Pty Limited, Foxtel Management Pty Limited, Multi Channel Network Pty Limited and Main Event Pty Limited) and two separate Australian tax consolidated groups, the Foxtel Holdings Pty Limited tax consolidated group and the XYZnetworks Pty Limited tax consolidated group (all collectively referred to as the "Foxtel taxpayers"). XYZnetworks is equally owned by Foxtel Partnership and Foxtel Holdings Pty Limited. The provision of income taxes for these entities is computed using the asset and liability method, pursuant to ASC 740, "Accounting for Income Taxes" ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credits carried forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the combined statements of operations in the period that includes the enactment date. ASC 740 requires an assessment of whether valuation allowances are needed against deferred tax assets based upon consideration of all available evidence using a “more likely than not” standard.

GST and other similar taxes

Revenues, expenses, assets (except receivables) and liabilities (except payables) are recognized net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognized as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST fully recoverable from, or payable to, the tax authority is included in other receivables or payables in the combined balance sheets.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Fair value measurements

In accordance with ASC 820, “Fair Value Measurements” (“ASC 820”), the Foxtel Group measures assets and liabilities using inputs from the following three levels of the fair value hierarchy: (i) inputs that are quoted prices in active markets for identical assets or liabilities (“Level 1”); (ii) inputs other than quoted prices included within Level 1 that are observable, including quoted prices for similar assets or liabilities (“Level 2”); and (iii) unobservable inputs that require the entity to use its own best estimates about market participant assumptions (“Level 3”).

The Foxtel Group holds financial instruments that are considered to be Level 1 and Level 2 measurements and are measured at fair value on a recurring basis, including derivative instruments (see Note 9—Financial Instruments and Fair Value). There were no assets or liabilities classified as Level 3 at March 31, 2018 and June 30, 2017.

All carrying values of financial instruments reflect their fair value with the exception of:

- the 2009 U.S. private placement borrowings which is carried at amortized cost of \$97.7 million at March 31, 2018 and \$97.5 million at June 30, 2017;
- a portion of the 2012 U.S. private placement borrowings which is carried at amortized cost adjusted for fair value interest rate risk of \$176.9 million at March 31, 2018 and \$180.8 million at June 30, 2017. Prior to October 17, 2014, the entire US\$500.0 million 2012 U.S. private placement borrowings was measured at amortized cost adjusted for fair value interest rate risk.
- a portion of the 2012 U.S. private placement borrowings which is carried at amortized cost of \$466.6 million at March 31, 2018 and \$465.6 million at June 30, 2017. Prior to October 17, 2014, the entire US\$500.0 million 2012 U.S. private placement borrowings was measured at amortized cost adjusted for fair value interest rate risk.

The fair value of the 2009 U.S. private placement borrowing at March 31, 2018 and June 30, 2017 was \$101.0 million and \$105.2 million, respectively. The fair value of the 2012 U.S. private placement borrowing March 31, 2018 and June 30, 2017 was \$649.1 million and \$669.7 million, respectively. The fair value of the remaining borrowings is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

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The derivative financial instruments are recorded at estimated fair value and the listed securities are recorded at fair value based on the quoted prices in active markets. The carrying values of cash and cash equivalents (Level 1), receivables and trade and other payables approximate their fair values due to their short-term nature.

Financial instruments and derivatives

ASC 815, “Derivatives and Hedging” (“ASC 815”), requires derivative instrument (including certain derivative instruments embedded in other contracts) to be recorded on the combined balance sheet at fair value as either an asset or a liability. ASC 815 also requires that changes in the fair value of recorded derivatives be recognized currently in the combined statements of operations unless specific hedge accounting criteria are met.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For derivatives that will be accounted for as hedging instruments, the Foxtel Group formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, the Foxtel Group formally assesses, both at the inception and at least quarterly thereafter, whether the financial instruments used in hedging transactions are effective at offsetting changes in either the fair values or cash flows of the related underlying exposures. Any ineffective portion of a financial instrument’s change in fair value is immediately recognized into earnings.

The Foxtel Group determines the fair values of its derivatives using standard valuation models. The notional amounts of the derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates and foreign currency exchange rates. The Foxtel Group does not view the fair values of its derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions or other exposures. All of the Foxtel Group’s derivatives are straightforward over-the-counter instruments with liquid markets. The carrying values of the derivatives reflect the impact of legally enforceable master netting agreements which allow the Foxtel Group to net settle positive and negative positions with the same counterparty. As the Foxtel Group does not intend to settle any derivatives at their net positions, derivative instruments are presented gross in the combined balance sheets.

The Foxtel Group has established strict counterparty credit guidelines whereby transactions are limited to financial institutions of investment grade or better and exposure limits are tiered with the majority of exposure falling within the AAA to AA- bucket. The Foxtel Group monitors counterparty exposures regularly and reviews any downgrade in credit rating immediately. To mitigate pre settlement risk, minimum credit standards become more stringent as the duration of the derivative financial instrument increases. In addition, the Foxtel Group’s master netting agreements reduce credit risk by permitting the Foxtel Group to net settle for transactions with the same counterparty. To minimize the concentration of credit risk, the Foxtel Group enters into derivative transactions with a portfolio of financial institutions. Based on these factors, the Foxtel Group considers the risk of counterparty default to be minimal. The maximum amount of loss due to credit exposure is equivalent to the value of derivatives in an asset position as of March 31, 2018.

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Cash flow hedges

Cash flow hedges are used to mitigate the Foxtel Group's exposure to variability in cash flows that is attributable to particular risk associated with a highly probable forecast transaction or a recognized asset or liability which could affect income or expenses. The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income, whilst the ineffective portion is recognized in the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'. Amounts taken to equity remain in equity and are amortized to earnings when the hedged forecast transaction impacts income and are recorded within the same line item in the combined statements of operations to which the hedged item relates.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedging relationship is highly effective so that it can continue to be designated as a cash flow hedge. If the forecasted transaction is no longer expected to occur, amounts recognized in equity are transferred to the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'. If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is de-designated as a hedge, amounts previously recognized in equity remain in equity until the hedged forecast transaction affects earnings at which time the amounts are recorded in earnings within the same line item in the combined statements of operations to which the hedged item relates.

Fair value hedges

Fair value hedges are used to mitigate the Foxtel Group's exposure to changes in the fair value of a recognized asset or liability, or an identified portion thereof that is attributable to a particular risk and could affect income or expenses. The hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'.

Fair value hedge accounting is discontinued if the hedging instrument is sold, terminated, expires, exercised, no longer meets the criteria for hedge accounting or is de-designated as a hedge.

Economic hedges

Derivatives not designated in accounting hedge relationships are referred to as economic hedges. Economic hedges are those derivatives which Foxtel Group uses to mitigate their exposure to variability in the cash flows of a forecast transaction or the fair value of a recognized asset or liability, but which do not qualify for hedge accounting in accordance with ASC 815. The economic hedges are accounted for at fair value by recording the unrealized mark-to-market (fair value adjustment) in each period in the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'. Realized gains and losses on the economic hedges arising from the periodic cash flows and settlements that take place on these economic hedges (for example, interest or other cash flows) are also recorded in the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'.

Comprehensive income

Comprehensive income is defined to include all changes in partners' equity except those resulting from investments by partners and distributions to partners. Among other disclosures, ASC 220, "Comprehensive Income" requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements.

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Recently issued accounting pronouncements

Adopted

In October 2016, the FASB issued ASU 2016-16, “Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory” (“ASU 2016-16”). The amendments in ASU 2016-16 require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in ASU 2016-16 eliminate the exception for an intra-entity transfer of an asset other than inventory. As permitted by ASU 2016-16, the Company early-adopted this standard on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings to reduce complexity in financial reporting. The adjustment did not have any impact on the Company’s combined financial statements.

Issued

In May 2014, FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASU 2014-09”). ASU 2014-09 removes inconsistencies and differences in existing revenue recognition requirements between GAAP and International Financial Reporting Standards and requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, delaying the effective date for adoption. ASU 2014-09 is now effective for interim and annual reporting periods beginning after July 1, 2018, however, early adoption is permitted. Once effective, the Company can elect to apply ASU 2014-09 retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initial adoption recognized at the date of initial application. The Company has determined that it will adopt ASU 2014-09 using a modified retrospective approach.

The FASB has also issued several standards which provide additional clarification and implementation guidance on the previously issued ASU 2014-09 and have the same effective date as the original standard.

The Company is continuing to evaluate the overall impact that ASU 2014-09 will have on the Company’s consolidated financial statements. The Company’s implementation team, including external advisers, continues to review the Company’s revenue portfolio and related contracts. Discussions regarding changes to the Company’s current accounting policies and practices remain ongoing and preliminary conclusions are subject to change. Based on the current guidance, the new framework will become effective on a modified retrospective basis for the Company on July 1, 2018.

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In January 2016, the FASB issued ASU 2016-01, “Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU 2016-01”). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. As of June 30, 2018, the Company did not have available-for-sale securities. In accordance with ASU 2016-01, the cumulative net unrealized gains (losses) contained within Accumulated other comprehensive loss will be reclassified through Retained earnings as of July 1, 2018.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). The amendments in ASU 2016-02 address certain aspects in lease accounting, with the most significant impact for lessees. The amendments in ASU 2016-02 require lessees to recognize all leases on the balance sheet by recording a right-of-use asset and a lease liability, and lessor accounting has been updated to align with the new requirements for lessees. The new standard also provides changes to the existing sale-leaseback guidance. ASU 2016-02 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2016-02 will have on its combined financial statements.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”). The amendments in ASU 2016-13 require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. ASU 2016-13 is effective for the Company for annual and interim reporting periods beginning July 1, 2020. The Company is currently evaluating the impact ASU 2016-13 will have on its combined financial statements.

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities” (“ASU 2017-12”). The amendments in ASU 2017-12 more closely align the results of cash flow and fair value hedge accounting with risk management activities through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results in the financial statements. The amendments address specific limitations in current

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GAAP by expanding hedge accounting for both nonfinancial and financial risk components and by refining the measurement of hedge results to better reflect an entity's hedging strategies. ASU 2017-12 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2017-12 will have on its combined financial statements.

NOTE 3. IMPAIRMENT AND RESTRUCTURING

Impairment charges

On September 30, 2016, the Foxtel Group acquired Seven West Media ('Seven')'s 50% interest in Presto TV for \$1 in cash and \$16.3 million in forgiven liabilities. Presto TV was a provider of subscription video on demand ('SVOD') services in the Australian market and complemented the Group's existing streaming offerings like Foxtel Play. The Foxtel Group previously owned 50% of Presto TV through a joint venture arrangement with Seven before the acquisition.

Under the acquisition method of accounting, the total consideration was allocated to net assets based upon the fair values as of the date of completion. The excess of the total consideration over the fair value of the net assets acquired was recorded as goodwill. Concurrently, the Foxtel Group announced its intentions to cease Presto operations in January 2017, which included the recently acquired Presto TV and also Presto movies which was wholly owned by the Foxtel Group. The Presto business was subsequently wound down on January 31, 2017.

Presto exit costs recorded in earnings (in thousands):

	As of June 30,
	2017
	(in thousands)
Goodwill impairment	\$ 2,547
Content rights and other Presto assets written off . . .	67,509
Redundancies	<u>528</u>
Total	<u><u>\$70,584</u></u>

Restructuring charges

The Foxtel Group recognized restructuring charges totaling \$6.6 million, \$12.4 million and \$9.9 million for the period ended March 31, 2018 and the fiscal years ended June 30, 2017 and 2016, respectively. These charges were related to employee termination benefits.

There were no business combinations or significant disposals in the period ended March 31, 2018 and the fiscal year ended June 30, 2016.

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NOTE 4. INVENTORIES

The Foxtel Group's inventories were comprised of the following:

	<u>As of March 31, 2018</u>	<u>As of June 30, 2017</u>
	(in thousands)	
Programming rights	\$ 898,689	\$ 859,404
Accumulated amortization	(448,025)	(421,449)
Total inventories, net	450,664	437,955
Less: non-current portion	(202,340)	(181,884)
Current inventories, net	<u>\$ 248,324</u>	<u>\$ 256,071</u>

NOTE 5. INVESTMENTS

The Foxtel Group's investments were comprised of the following:

	<u>Ownership percentage as of March 31, 2018</u>	<u>As of March 31, 2018</u>	<u>As of June 30, 2017</u>
		(in thousands)	
Equity method investment—Nickelodeon	35%	4,197	5,000
		<u>\$4,197</u>	<u>\$5,000</u>

NOTE 6. PROPERTY AND EQUIPMENT

The Foxtel Group's property and equipment were comprised of the following:

	<u>As of March 31, 2018</u>	<u>As of June 30, 2017</u>
	(in thousands)	
Leasehold improvements	\$ 87,728	\$ 90,063
Technical equipment	491,439	467,988
Digital set top units and installations	1,935,520	1,947,681
Other property and equipment	197,108	123,608
	<u>\$ 2,711,795</u>	<u>\$ 2,629,340</u>
Less: accumulated depreciation and amortization	(1,721,671)	(1,684,596)
Total property and equipment, net	<u>\$ 990,124</u>	<u>\$ 944,744</u>

Depreciation and amortization related to property and equipment was \$239.0 million, \$285.6 million and \$318.47 million for the period ended March 31, 2018 and the fiscal years ended June 30, 2017 and, 2016, respectively.

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

There were no changes in the carrying value of goodwill of \$1,933.2 million for the period ended March 31, 2018 and the fiscal years ended June 30, 2017 and 2016.

Except as noted in Note 3, there were no impairments of goodwill for the period ended March 31, 2018 and the fiscal years ended June 30, 2017 and 2016.

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The carrying values of the Foxtel Group's intangible assets and related accumulated amortization were as follows:

	<u>As of March 31,</u> <u>2018</u>	<u>As of June 30,</u> <u>2017</u>
	(in thousands)	
Intangible Assets Not Subject to Amortization		
Brand and tradenames	\$8,329	\$8,329
Total Intangible Assets Not Subject to Amortization	<u>8,329</u>	<u>8,329</u>
Total Intangible Assets, Net	<u>\$8,329</u>	<u>\$8,329</u>

NOTE 8. BORROWINGS

The Foxtel Group's borrowings were comprised of the following:

	<u>Interest rate at</u> <u>March 31,</u> <u>2018</u>	<u>Due date at</u> <u>March 31,</u> <u>2018</u>	<u>Outstanding</u>	
			<u>As of March 31,</u> <u>2018</u>	<u>As of June 30,</u> <u>2017</u>
			(in thousands)	
Revolving credit facility 2013 ^(a)	3.53%	Apr 7, 2019	\$ 300,000	\$ 300,000
Revolving credit facility 2014— tranche 1 ^(a)	3.53%	May 30, 2019	200,000	200,000
Working capital facility 2017 ^(a)	3.78%	Jul 3, 2020	80,000	3,997
Revolving credit facility 2014— tranche 2	3.63%	Jan 31, 2020	200,000	200,000
Revolving credit facility 2015	3.68%	Jul 31, 2020	400,000	400,000
Revolving credit facility 2016	4.18%	Sept 11, 2021	247,000	202,000
US private placement 2009—tranche 3	6.20%	Sept 24, 2019	97,682	97,523
US private placement 2012—USD portion—tranche 1	3.68%	Jul 25, 2019	195,363	195,046
US private placement 2012—USD portion—tranche 2	4.27%	Jul 25, 2022	260,484	260,061
US private placement 2012—USD portion—tranche 3	4.42%	Jul 25, 2024	195,364	195,046
US private placement 2012—AUD portion	7.04%	Jul 25, 2022	100,000	100,000
Loan from partners	10.50%	N/A	—	962,351
Total			<u>\$2,275,893</u>	<u>\$3,116,024</u>
US private placement 2012— fair value adjustment ^(b)			(7,667)	(3,823)
Debt issue costs			(3,176)	(4,618)
Total borrowings			<u>\$2,265,050</u>	<u>\$3,107,583</u>
Less: current portion			—	—
Long-term borrowings			<u>\$2,265,050</u>	<u>\$3,107,583</u>

^(a) The facility bears interest at a floating rate of BBSY plus an applicable margin of between 1.10% and 2.7% per annum payable quarterly, dependant on the Debt to EBITDA leverage ratio.

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- (b) This captures the following elements:
- The fair value adjustments arising from the entire U.S. private placement 2012 borrowings since inception to October 17, 2014.
 - On October 17, 2014, the Foxtel Group de-designated a portion of the fair value hedge related to the U.S. private placement 2012 borrowings, and re-designated this portion of the cross currency interest rate swaps together with a number of interest rates swaps (“Combined swaps”) as a cash flow hedge. As a result, a fair value adjustment, relating to the portion of debt now designated as cash flow hedge, will accrete the debt back to par value over the remaining life of the borrowings.
 - The fair value adjustments arising from the portion of the U.S. private placement 2012 borrowings which remains designated as a fair value hedge subsequent to October 17, 2014.

Working capital and term debt facilities

Unrestricted access was provided to the following lines of credit:

	<u>As of March 31,</u>	<u>As of June 30,</u>
	<u>2018</u>	<u>2017</u>
	(in thousands)	
Total facilities:		
Working capital facility 2017	\$100,000	\$100,000
Term debt facility 2013	300,000	300,000
Term debt facility 2014—tranche 1	200,000	200,000
Term debt facility 2014—tranche 2	200,000	200,000
Term debt facility 2015	400,000	400,000
Term debt facility 2016	400,000	400,000
Used at the reporting date:		
Working capital facility 2017	88,106	13,278
Term debt facility 2013	300,000	300,000
Term debt facility 2014—tranche 1	200,000	200,000
Term debt facility 2014—tranche 2	200,000	200,000
Term debt facility 2015	400,000	400,000
Term debt facility 2016	<u>247,000</u>	<u>202,000</u>
Undrawn amounts available remaining:	<u>\$164,894</u>	<u>\$284,722</u>

Total commitment fees related to the above facilities amounted to \$1.4 million and \$1.0 million for the period ended March 31, 2018 and for the fiscal year ended June 30, 2017, respectively. The working capital facility has been drawn down by borrowings and also utilized through the provision of bank guarantees as outlined in Note 12.

2018 Update

During the year, the Foxtel Group made various drawdown and repayments on the working capital facility. There were no changes in external debt in the period ended March 31, 2018. Refer to the “loans from partners” section below for details on changes to shareholders loan.

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2017 Update

On September 12, 2016, the group entered into a refinancing agreement with a syndicate of banks whereby \$400,000,000 of current debt facilities held with the syndicate with a maturity of October 2016 were refinanced to mature in September 2021. The interest rate on this facility equals the BBSY rate plus a margin of 2.40% as at March 31, 2018.

On June 30, 2017, the group entered into an agreement with CBA to refinance the \$100,000,000 working capital facility that was due to mature in June 2018. The maturity date for the new facility is July 2020. The interest rate on this facility equals the bank bill rate plus an applicable margin of 2.0% as at March 31, 2018.

U.S. private placement (Senior unsecured notes)

On September 24, 2009, the Foxtel Group entered into a U.S. dollar private placement fixed interest loan for US\$180.0 million. The entire loan and interest are economically hedged by a series of cross currency interest rate swaps held by the combined Foxtel Group. The Foxtel Group made repayments of US\$31.0 million on September 24, 2014 and US\$74.0 million on September 24, 2016.

On May 23, 2012, the Foxtel Group entered into a firm commitment for funding by way of a private placement in the amount of US\$500.0 million and A\$100.0 million. The funds were drawn down on July 25, 2012. In relation to the US\$ component, the foreign currency fixed interest loan and interest payments were hedged by a series of cross currency interest rate swaps designated as fair value hedges. On October 17, 2014, a portion of the US\$ component was de-designated from its fair value hedge relationship and re-designated into a cash flow hedge relationship using a combination of cross currency interest rate swaps and newly entered interest rate swaps (refer to as "Combined swaps"). The remaining portion of the US\$ component which was not de-designated remains in a fair value hedge relationship. At March 31, 2018, of the US\$500.0 million debt, US\$138.6 million is in a fair value hedge relationship, US\$357.2 million is in a cash flow hedge relationship. The remaining US\$4.2 million is the fair value adjustment required to accrete the loan back to its par value at maturity date.

Covenants, Collateral and Unamortized borrowing costs

The Foxtel Group's external borrowings (term debt, facilities and U.S. private placement) require the Foxtel Group to comply with specified financial and non-financial covenants calculated in accordance with Australian International Financial Reporting Standards. These covenants include restrictions on undertaking future transactions, incurring liens, undertaking transactions with related parties, making repayments of other loans, having fundamental business changes and entering into certain other financing arrangements. The financial debt covenants include maximum levels of total debt to Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") and minimum levels of interest cover (EBITDA to total interest expense) ratios. In the event of default, the liability of the partners is limited to the assets of the Foxtel Partnership and Foxtel Television Partnership. The Foxtel Group is in compliance with these covenants as of March 31, 2018. There were no assets pledged as collateral for any of the borrowings.

Unamortized borrowing costs (representing the costs of acquiring external loan facilities) of \$3.2 million and \$4.6 million are capitalized against borrowings as of March 31, 2018 and June 30, 2017, respectively. Of this amount, \$nil have been netted against current borrowings and \$3.2 million and \$4.6 million has been netted against non-current borrowings as of March 31, 2018 and June 30, 2017, respectively. The amortized borrowing costs recorded in the combined statements of operations were \$1.4 million, \$3.1 million and \$2.9 million for the period ended March 31, 2018 and fiscal years ended June 30, 2017 and 2016 respectively.

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Loans from partners

In addition to the facilities outlined in the table above, the Foxtel Group had a subordinated note facility granted expressly for the purpose of the AUSTAR acquisition of which it was equally provided by controlled entities of Telstra and by controlled entities of News Corporation. The original note entitled each of the two investors a 12.0% per annum fixed return. During fiscal 2016, the note was modified to reduce the interest rate from 12.0% to 10.5% per annum with effect from July 1, 2015.

On September 28, 2017, Foxtel's shareholders made pro-rata capital contributions to Foxtel by way of promissory notes. Foxtel utilized the shareholder's capital contributions to repay its subordinated shareholder notes and interest accrued in the three months ended September 30, 2017. The loan from partners is \$nil and \$962.4 million as of March 31, 2018 and June 30, 2017 respectively.

Original currencies of borrowings

Borrowings are payable in the following currencies:

	As of March 31,	As of June 30,
	2018	2017
	(in thousands)	
United States Dollars ("US\$") ^(a)	\$ 741,226	\$ 743,853
Australian Dollars	1,527,000	2,368,348
Total borrowings (excluding debt issue costs)	\$2,268,226	\$3,112,201

^(a) The US\$ borrowings as of March 31, 2018 and June 30, 2017 was US\$575.0 million. These US\$ borrowings have been remeasured to Australian dollar equivalents using the spot rate at the combined balance sheets date. Included within the March 31, 2018 balance is also a fair value adjustment associated with the U.S. private placement 2012 of \$(7.7 million).

Of the impact of foreign currency movements on borrowings during the period ended March 31, 2018, a loss of approximately \$0.5 million was recorded in foreign exchange and other gains / (losses) on hedges, net.

Future maturities

The following table summarizes the Foxtel Group's debt maturities and capital lease obligations as of March 31, 2018:

Future maturities Period Ending March 31,	Debt Maturities
2019	\$ —
2020	993,045
2021	480,000
2022	247,000
Thereafter	555,848
Debt, excluding capital leases, fair value adjustments and debt issue costs	\$2,275,893
Amounts representing fair value adjustments	(7,667)
Amounts representing debt issue costs	(3,176)
Total debt	\$2,265,050

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NOTE 9. FINANCIAL INSTRUMENTS AND FAIR VALUE

The Foxtel Group is directly and indirectly affected by changes in certain market conditions. These changes in market conditions may adversely impact the Foxtel Group's financial performance and are referred to as "market risks." When deemed appropriate, the Foxtel Group uses derivative instruments as a risk management tool to mitigate the potential impact of these market risks. The primary market risks managed by the Foxtel Group through the use of derivative instruments include:

- foreign currency exchange rate risk: arising through foreign currency borrowing, payments for license fees, and capital expenditures (predominately digital set top units); and
- interest rate risk: arising from floating rate borrowings.

The Foxtel Group uses derivative financial instruments such as cross currency interest rate swaps, interest rate swaps and foreign exchange contracts to hedge certain risk exposures. The Foxtel Group does not use derivative financial instruments for trading or speculative purposes.

Financial risk management is carried out by the Foxtel Group's treasury department ("Treasury") under policies approved by the Board of Directors ("Board"). These policies include identification and analysis of the risk exposure of the Foxtel Group and appropriate procedures, controls and risk limits. Treasury identifies, evaluates and enters into derivative transactions for the Foxtel Group.

The Foxtel Group formally designates all qualifying derivatives in hedge relationships ("hedges") and applies hedge accounting where possible. However, all derivatives entered into by the Foxtel Group pre-July 1, 2012 did not qualify for hedge accounting under U.S. GAAP. These hedges are nevertheless economically hedging exposures arising on forecast transactions or recognized assets and liabilities, in line with the Foxtel Group's risk mitigation strategy. As a result, the changes in fair value of these hedges have been, and will continue to be, included as a component of net income in each reporting period, within 'Foreign exchange and other gains / (losses) on hedges, net'.

Hedges are classified as current or non-current based on their maturity.

The accounting for gains and losses that result from changes in the fair values of derivative instruments depends on whether the derivatives have been designated and qualify as hedging instruments and the type of hedging relationships.

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The fair values of the Foxtel Group's derivative instruments which were valued using level 2 measurements and the line items on the combined balance sheets to which they were recorded are summarized as follows:

	<u>Derivative Assets</u>		<u>Derivative Liabilities</u>	
	<u>March 31, 2018</u>	<u>June 30, 2017</u>	<u>March 31, 2018</u>	<u>June 30, 2017</u>
	(in thousands)		(in thousands)	
Derivatives designated as hedging instruments:				
Foreign currency derivatives	\$ 954	\$ —	\$ (4,142)	\$(14,297)
Interest rate derivatives	—	—	(29,440)	(36,301)
Cross currency interest rate derivatives	33,650	37,865	—	—
Combined swaps	<u>70,135</u>	<u>79,035</u>	<u>—</u>	<u>—</u>
Total derivatives designated as hedging instruments	\$104,739	\$116,900	\$(33,582)	\$(50,598)
Derivatives not designated as hedging instruments:				
Cross currency interest rate derivatives	<u>9,523</u>	<u>12,000</u>	<u>—</u>	<u>—</u>
Total derivatives not designated as hedging instruments	\$ 9,523	\$ 12,000	\$ —	\$ —
Total derivatives	<u>\$114,262</u>	<u>\$128,900</u>	<u>\$(33,582)</u>	<u>\$(50,598)</u>
Represented in the combined balance sheets as follows:				
Current	\$ 410	\$ —	\$ (4,142)	\$(12,860)
Non-current	113,852	128,900	(29,440)	(37,738)

Cash flow hedging strategy

Management has a risk management policy to hedge at least 50% of expected operating foreign currency transactions for up to the subsequent 24 months, subject to approval by the chief financial officer ("CFO") and to hedge 100% of the foreign exchange risk on foreign currency borrowings. Adjustments to the level of hedged exposure can be approved by the CFO upon recommendation by the Treasury Manager. The maximum hedged term of a forecasted foreign currency transaction is in respect of foreign currency borrowings which are hedged to July 2024.

The total notional value of foreign exchange contract derivatives that have been designated and qualify for the Foxtel Group's foreign currency cash flow hedging program was US\$125.5 million and US\$182.0 million as of March 31, 2018 and June 30, 2017, respectively. Foreign exchange contract derivatives are entered into to mitigate currency exchange risk in relation to payments for license fees and capital expenditures (predominately digital set top units).

The Foxtel Group monitors the mix of short-term debt and long-term debt regularly and manages the risk of interest rate fluctuations through the use of derivative financial instruments including forward starting instruments. 50% – 100% of the expected exposures on floating rate Australian dollar debt (including Term Debt, bridging facility and revolving working capital facility) in years 1 – 2, 50% – 80% of the exposures in years 3 – 5 and 50% of years 6 – 10 are hedged. The Foxtel Group has entered into interest rate swap agreements and has designated these as accounting hedges in conjunction with the Foxtel Group's interest rate cash flow hedging program. The objective of this hedging program is to mitigate the risk of adverse changes in benchmark interest rates on the Foxtel Group's future interest payments. The total notional value of these interest rate swap agreements that were designated and qualified for the Foxtel Group's interest rate cash flow hedging program was \$700.0 million as of March 31, 2018 and June 30, 2017, respectively. The maximum hedged term over which the Foxtel Group is hedging exposure to variability in interest payments is to September 2022.

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On October 17, 2014, the Foxtel Group entered into interest rate swap agreements to mitigate the risk of interest rate fluctuations on the Foxtel Group's U.S. dollar private placement 2012 borrowings, which up to this date were hedged under designated cross-currency interest rate swap agreements. The Foxtel Group, de-designated a portion of the cross-currency interest rate swaps, and formally re-designated them in a qualifying combined notional swap together with the new interest rate swap agreements. The total notional value of the Combined swaps that were designated and qualified for the Foxtel Group's hedging program was US\$357.2 million as of March 31, 2018. The maximum hedged term over which the Foxtel Group is hedging exposure to variability in interest payments is to July 2024.

Total notional value of foreign exchange contract derivatives where the cash flow hedging relationships have been discontinued was \$nil million during the period ended March 31, 2018. There were no interest rate swaps or Combined swaps where the cash flow hedging relationship was discontinued during the period ended and the fiscal year ended March 31, 2018 and June 30, 2017, respectively.

The following table presents the pre-tax impact (\$nil tax impact) that changes in the fair values of derivatives designated as cash flow hedges had on AOCI and earnings during the period ended March 31, 2018 and fiscal years ended June 30, 2017 and 2016:

	<u>Gains / (losses) recognized in OCI on derivatives for the period and years ended (effective portion)</u>			<u>Gains / (losses) reclassified from AOCI into income for the period and years ended</u>		
	<u>March 31, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>March 31, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	(in thousands)			(in thousands)		
Derivatives designated as cash flow hedging instruments:						
Foreign currency	\$ (1,467)	\$(10,252)	\$ 8,794	6,398	(13,372)	(20,616)
Interest rate	(3,465)	9,007	(32,076)	10,326	10,632	5,302
Combined swaps	(8,579)	(26,088)	22,849	(1,067)	14,547	(16,435)
Total	<u>\$(13,511)</u>	<u>\$(27,333)</u>	<u>\$ (433)</u>	<u>\$15,657</u>	<u>\$ 11,807</u>	<u>\$(31,749)</u>

During each of the period and fiscal years presented, the amounts recognized in earnings on derivative instruments designated as cash flow hedges related to the ineffective portion were not material, and the Foxtel Group did not exclude any component of the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

As of March 31, 2018, the Foxtel Group estimates that approximately \$7.9 million of net derivative gains related to its cash flow hedges included in AOCI will be reclassified into earnings within the next 12 months on the assumption that the exchange rate and interest rates are identical to March 31, 2018.

Fair value hedging strategy

The Foxtel Group's primary interest rate risk arises from long-term debt. Borrowings issued at fixed rates and in US dollars expose the Foxtel Group to fair value interest rate risk and currency rate risk. The Foxtel Group manages fair value interest rate risk and currency rate risk through the use of cross-currency interest rate swaps under which the Foxtel Group exchanges fixed interest payments equivalent to the interest payments on the US\$ denominated debt for floating rate Australian dollar denominated interest payments. The changes in fair values of derivatives designated as fair value hedges and the offsetting changes in fair values of the hedged items are recognized in earnings. As of March 31, 2018, such adjustments decreased the carrying value of long-term debt by \$0.1 million.

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As described under cash flow hedging strategy, on October 17, 2014, the Foxtel Group entered into interest rate swaps designed to mitigate the Foxtel Group's exposure to floating rate interest payments on a portion of the cross-currency interest rate swaps relating to the U.S. private placement 2012 debt. This resulted in a de-designation of a portion of cross-currency interest rate swaps on this date, as the rate exposure was re-designated in a cash flow hedge. The total notional value of cross-currency interest rate derivatives that related to fair value hedges of this type was US\$138.6 million as of March 31, 2018 and June 30, 2017 respectively which relates to the U.S. private placement 2012 debt.

Economic (non-designated) hedging strategy

In addition to derivative instruments that are designated and qualify for hedge accounting, the Foxtel Group also uses certain derivatives not designated as accounting hedges to mitigate foreign currency and interest rate risk. These are referred to as economic hedges. The changes in fair value of economic hedges are immediately recognized into earnings.

The total notional value of cross currency interest rate derivatives related to the Foxtel Group's fair value interest rate risk economic hedges was US\$75.0 million as of March 31, 2018 and June 30, 2017, respectively, which relate to the U.S. private placement 2009 debt.

Summary of foreign exchange and other gains / (losses) on hedges, net

The following table presents the pre-tax impact (\$nil tax impact) that changes in the fair values of all derivatives had on earnings during the period ended March 31, 2018 and fiscal years ended June 30, 2017 and 2016, respectively:

	(Losses) / Gains for the periods ended		
	March 31, 2018	June 30, 2017	June 30, 2016
	(in thousands)		
Interest on economic hedges	\$ 1,329	\$ (5,786)	\$(12,291)
Fair value adjustments on economic hedges ^(b)	(2,477)	(7,592)	19,059
Foreign currency remeasurement on borrowings not designated in a hedge relationship (spot retranslation) ^(b) . .	(159)	13,737	(6,680)
Ineffectiveness on interest rate swaps designated as cash flow hedges ^(b)	—	—	(2)
Ineffectiveness on combined swaps designated as cash flow hedges ^(b)	(319)	588	2
Fair value hedge ^{(a)(b)}			
Foreign exchange remeasurement on borrowings designated as fair value hedge	(293)	5,793	(6,214)
Fair value adjustment on borrowings designated as fair value hedge	4,108	8,290	(10,372)
Fair value adjustment on derivative designated as fair value hedge	(4,215)	(14,921)	17,045
Total foreign exchange and other (losses) / gains on hedges, net	<u>\$(2,026)</u>	<u>\$ 109</u>	<u>\$ 547</u>

^(a) The net impact of the fair value adjustment on borrowings and corresponding fair value adjustment on the derivative designated as a fair value hedge on earnings was \$0.4 million loss and \$0.8 million loss for the period ended March 31, 2018 and fiscal year ended June 30, 2017, respectively.

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Overall, the combined impact on earnings from the borrowing and the hedging instrument was \$0.4 million loss, \$0.8 million loss and \$0.5 million gain for the period ended March 31, 2018 and fiscal years ended June 30, 2017 and 2016 respectively.

- (b) These represent the non-cash fair value adjustments and foreign currency translation adjustments as disclosed on the combined statements of cash flow within 'Fair value adjustments and foreign currency translation' of \$3.3 million, (\$5.9 million) and (\$12.8 million) for the period ended March 31, 2018 and fiscal years ended June 30, 2017 and 2016 respectively.

Fair value measurement

In accordance with ASC 815 "Derivatives and Hedging", the Foxtel Group has included additional disclosures about the Foxtel Group's derivatives and hedging activities (Level 2). There were no assets or liabilities classified as Level 3 as of March 31, 2018 and June 30, 2017. Level 1 incorporates cash and cash equivalents and equity investments recorded at fair value as per Note 5.

The tables below present information about items on which fair value measurements have been made:

	Fair Value Measurements using inputs considered as (Level 2)	
	As of March 31, 2018	As of June 30, 2017
	(in thousands)	
Assets		
Cross currency interest rate swap contracts—fair value hedges	\$ 33,650	\$ 37,865
Cross currency interest rate swap contracts—economic hedges	9,524	12,000
Combined swaps	70,135	79,035
Foreign currency exchange contracts—cash flow hedges	954	—
Total assets	<u>\$114,263</u>	<u>\$128,900</u>
Liabilities		
Interest rate swap contracts—economic hedges	\$ —	\$ —
Foreign currency exchange contracts—cash flow hedges	(4,142)	(14,297)
Interest rate swap contracts—cash flow hedges	(29,441)	(36,301)
Total liabilities	<u>\$(33,583)</u>	<u>\$(50,598)</u>

There were no transfers between levels of the fair value hierarchy during period presented. Specific valuation techniques used to value level 2 financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at each reporting date; and
- The fair value of cross currency interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves and determined using forward exchange rates at each reporting date.

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NOTE 10. INCOME TAX

The Foxtel Group has no operations in jurisdictions other than Australia. Significant components of the Foxtel Group's provision for income taxes from continuing operations were as follows:

	For the period ended March 31,	For the years ended June 30,	
	2018	2017	2016
		(in thousands)	
Current	\$10,192	\$19,756	\$26,806
Deferred	5,602	4,221	(4,106)
Total income tax expense	<u>\$15,794</u>	<u>\$23,977</u>	<u>\$22,700</u>

The reconciliation of the effective income tax rate on continuing operations with the statutory income tax rate was:

	For the years ended June 30,		
	2018	2017	2016
Australian income tax	30%	30%	30%
Permanent differences and other	1%	(4%)	(1%)
Partnership income not subject to tax at Foxtel Group level *	(18%)	(4%)	(20%)
Change in valuation allowance	3%	1%	(1%)
Effective income tax rate	<u>16%</u>	<u>23%</u>	<u>8%</u>

* Partnership income for the year ended June 30, 2017 was impacted by the fair valuation of listed investments (Ten Network Holdings) and Presto exit costs (Note 3).

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The following is a summary of the components of the deferred tax accounts:

Deferred tax

	<u>As at March 31, 2018</u>	<u>As at June 30, 2017</u>
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 47,406	\$ 49,988
Accrued liabilities and deferred revenue	37,571	34,040
Provision for doubtful debts	1,819	1,324
Other	708	4,544
Total deferred tax assets	<u>\$ 87,504</u>	<u>\$ 89,896</u>
Deferred tax liabilities		
Property and equipment	(16,299)	(15,297)
Other	(3,273)	(3,928)
Total deferred tax liabilities	<u>\$(19,572)</u>	<u>\$(19,225)</u>
Net deferred tax asset before valuation allowance	\$ 67,932	\$ 70,671
Less: valuation allowance	(24,150)	(21,287)
Net deferred tax assets	<u>\$ 43,782</u>	<u>\$ 49,384</u>
Represented in the combined balance sheet as follows:		
Deferred income taxes—asset	45,596	49,501
Deferred income taxes—liability	(1,814)	(117)
Net deferred tax assets	<u>\$ 43,782</u>	<u>\$ 49,384</u>

The Foxtel Group includes a number of stand-alone taxpayers (Customer Services Pty Limited, Foxtel Cable Television Pty Limited, Foxtel Management Pty Limited, Multi-Channel Network Pty Limited and Main Event Pty Limited) and two separate Australian tax consolidated groups, the Foxtel Holdings Pty Limited tax consolidated group and the XYZnetworks Pty Limited tax consolidated group (all collectively referred to as the “Foxtel taxpayers”). The table above and disclosures below represent the deferred income taxes for the Foxtel taxpayers.

At March 31, 2018, the Foxtel taxpayers had approximately \$158.0 million (June 30, 2017: \$166.6 million) of net operating loss carryforwards available to offset future taxable income. These net operating loss carryforwards have an unlimited carryforward period subject to the satisfaction of the loss testing rules (i.e. continuity of ownership test (“COT”) or failing COT, the same business test). The Foxtel Group utilized the benefits of prior year operating loss carryforwards in the amount of \$8.6 million and \$41.5 million for the period ended March 31, 2018 and fiscal year ended June 30, 2017, respectively. The net operating losses have been carried forward by the Foxtel taxpayers since the AUSTAR acquisition on May 23, 2012.

Franking credits available for subsequent periods, based on a tax rate of 30%, amounted to \$61.6 million (2017: \$52.5 million) for the period ended March 31, 2018.

Realization of the net deferred tax assets of \$43.78 million is dependent upon the Foxtel taxpayers’ ability to generate future taxable income in the relevant tax jurisdiction to obtain benefit from the reversal of temporary differences and net operating loss carryforwards.

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The amount of deferred taxes considered realizable is subject to adjustment in future periods if estimates of future taxable income are reduced. As of March 31, 2018, deferred tax assets of two controlled entities were not considered to be realizable and therefore a full valuation allowance has been established.

Uncertain tax positions are accounted for in accordance with accounting standards that require management's assessment of the expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. Until such positions are sustained by the taxing authorities, the Foxtel Group would not recognize the tax benefits resulting from such positions and would report the tax effect as a liability in the Foxtel Group's combined balance sheets. The Foxtel Group has elected to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of income tax expense, in the combined statements of operations. As of March 31, 2018, the Foxtel Group had no unrecognized tax benefits or interest or penalties recorded for any of the periods presented. The tax years ended 2010 through 2017 for Foxtel Holdings and 2010 through 2017 for all other entities remain open to examination by the major taxing jurisdiction in which the entities are subject to tax.

NOTE 11. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Foxtel Group enters into transactions with related parties. Related parties consist of partners, entities owned by partners and equity method investees.

Revenue transactions with these related parties include primarily subscriber revenue for resale and distribution of the Foxtel Group products and other revenue. Payment of goods and services from related parties includes purchases of and license fees for programming content, contributions to marketing and television production costs, telephony and internet and networking costs.

The following table sets forth the transactions with related parties during the period:

	<u>For the period ended March 31,</u>	<u>For the years ended June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(in thousands)		
Revenue			
From partners or partners' owned entities	\$632,674	\$870,606	\$788,123
From equity investees	869	20,607	29,404
	<u>\$633,543</u>	<u>\$891,213</u>	<u>\$817,527</u>
Operating expenses			
To partners or partners' owned entities	\$612,951	\$794,215	\$738,363
To equity investees	16,513	37,875	41,099
	<u>\$629,464</u>	<u>\$832,090</u>	<u>\$779,462</u>
Other transactions from partners or partners' owned entities			
Distributions	\$ —	\$ —	\$ 73,000
Dividends—ordinary shares	—	—	239
Dividends—preference shares	—	—	114
Interest paid to partners	—	35,000	94,771
Interest accrued on loan from partners	24,915	59,771	—

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The following table sets forth the amount of accounts receivable due from and payable to related parties outstanding on the combined balance sheets:

	<u>As of March 31, 2018</u>	<u>As of June 30, 2017</u>
	(in thousands)	
Receivable from and prepaid to related parties (current):		
From partners or partners' owned entities	\$37,384	\$ 31,279
From equity investees	169	162
	\$37,553	\$ 31,441
Receivable from and prepaid to related parties (non current):		
From partners or partners' owned entities	\$18,214	\$ 21,429
Trade and other payable to related parties (current):		
To partners or partners' owned entities	\$88,380	\$143,283
To equity investees	3,094	2,973
	\$91,474	\$146,256

Except for loans from partners, balances with related parties are unsecured, interest-free and repayable upon demand.

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Foxtel Group has commitments under certain firm contractual arrangements ("firm commitments") to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The following table summarizes the Foxtel Group's material firm commitments as of March 31, 2018:

	As of March 31, 2018				
	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Operating lease ^(a)					
Transmission costs ^(b)	\$ 673,379	\$ 91,513	\$ 146,461	\$ 160,989	\$274,416
Property leases	83,707	18,340	32,301	25,044	8,022
Other	5,467	2,152	2,369	946	—
Other commitments					
Minimum subscriber guarantees ^(c)	456,059	166,016	156,430	133,613	—
Programming costs ^(d)	486,598	291,876	136,793	51,482	6,447
Broadcasting rights ^(e)	1,281,711	252,743	474,059	450,421	104,488
Capital expenditure ^(f)	44,668	35,734	8,934	—	—
Sports sponsorship	2,513	1,414	1,099	—	—
Other	32,004	11,864	10,877	5,983	3,280
Funding commitments to equity investee	3,500	—	3,500	—	—
Total	\$3,069,606	\$871,652	\$ 972,823	\$ 828,478	\$396,653
Long term liabilities (Note 8)					
Borrowings—related parties	—	—	—	—	—
Borrowings—external	2,275,893	—	1,473,045	802,848	—
Total commitments and contractual obligations	\$5,345,499	\$871,652	\$2,445,868	\$1,631,326	\$396,653

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- (a) The Foxtel Group leases property, motor vehicles, IT and equipment which are classified as operating leases. Leases are for multiple years and may contain renewal options. The operating lease expense including the satellite service agreements was approximately \$95.0 million, \$127.3 million and \$124.3 million for the period ended March 31, 2018 and fiscal years ended June 30, 2017 and 2016, respectively.
- (b) Satellite expenditures in respect of payments for transmission services. During fiscal 2016, the Foxtel Group renewed its satellite transponder services arrangements to 2028. The transponder services arrangements are accounted for as operating leases.
- (c) Operating expenditures in respect of minimum subscriber guarantees payable for license fees to third parties are based on the contracted period.
- (d) Programming expenditures in respect of payments committed to various suppliers for programming content.
- (e) Broadcasting rights are primarily in respect of AFL sporting rights. The current 6 year AFL deal for \$1.2 billion which commenced during the 2017 fiscal year was novated to the Foxtel Group from News Corp Australia in fiscal 2016.
- (f) Capital expenditures in respect of digital set top boxes, satellite dishes and other ancillary electronic components.

The Foxtel Group also has certain contractual arrangements in relation to certain investees that would require the Foxtel Group to make payments or provide funding if certain circumstances occur (“contingent guarantees”). The Foxtel Group does not expect that these contingent guarantees will result in any material amounts being paid by the Foxtel Group in the foreseeable future. The timing of the amounts presented in the table below reflect when the maximum contingent guarantees will expire and does not indicate that the Foxtel Group expects to incur an obligation to make payments during that time frame.

Guarantees

	As of March 31, 2018				
	Guarantees expiration per year				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Bank guarantees ^(a)	\$8,106	\$1,118	\$1,896	\$2,832	\$2,260

- (a) The Foxtel Group has outstanding bank guarantees expiring in favor of the landlords of the Foxtel Group’s leased office premises, issued by a financial institution. The Foxtel Group may be obligated to contribute funding to the banks in event of default on their lease payments. These guarantees have varying terms which extend through the life of the lease. There is no obligation booked as of March 31, 2018 as the event of default is remote.

Contingencies

The Foxtel Group could be involved in routine litigation and contingencies through the ordinary course of its business. A provision for litigation would be accrued when information available to the Foxtel Group indicates that it is probable a liability has been incurred and the amount of loss can be reasonably estimated. For the limited routine litigation that arises from the ordinary course of business, the Foxtel Group is currently unable to estimate the reasonably possible loss or a range of reasonably possible losses as the proceedings are in the early stages and there is a lack of clear or consistent interpretation of laws specific to the industry-specific complaints among different jurisdictions. As a result, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, which includes eventual loss, fine, penalty or business impact, if any, and therefore, an estimate for the reasonably possible loss or a range of reasonably possible losses cannot be made.

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However, the Foxtel Group believes that such matters, individually and in the aggregate, when finally resolved, are not reasonably likely to have a material adverse effect on the Foxtel Group's combined statements of operations, balance sheets, or statements of cash flow.

NOTE 13. SUBSEQUENT EVENTS

In accordance with ASC 855, "Subsequent Events", the Foxtel Group evaluated subsequent events through August 10, 2018, which was also the date that these combined financial statements were issued.

In March 2018, News Corp and Telstra entered into a definitive agreement to combine their respective 50% interests in Foxtel and News Corp's 100% interest in FOX SPORTS Australia into a new company. Following completion of the transaction in April 2018, News Corp owns a 65% interest in the combined company, and Telstra owns the remaining 35%.

No other matters or circumstances have arisen since March 31, 2018 that have significantly affected, or may significantly affect the Foxtel Group's operations, the results of those operations, or the Foxtel Group's state of affairs.