

# TWENTY-FIRST CENTURY FOX, INC. STATEMENT OF CORPORATE GOVERNANCE

*(updated February 2018)*

This Statement of Corporate Governance has been established by the Board of Directors (the “Board”) of Twenty-First Century Fox, Inc. (“21st Century Fox” or the “Company”), and is intended, in conjunction with the Company’s Restated Certificate of Incorporation, Amended and Restated By-Laws (the “By-laws”), other corporate governance documents and all applicable laws, to be a flexible framework within which the Board may conduct its business.

## **The Board of Directors**

The Board establishes broad corporate policies for the Company and its controlled entities (referred to collectively as the “Group”), sets the strategic direction for the Group and oversees management with a focus on enhancing the interests of stockholders. The Board is also responsible for the corporate governance of the Company and for overseeing management’s identification and management of risks.

### Size of the Board

The By-laws provide that the Board shall have the exclusive authority to determine the size of the Board from time to time; provided, however, the Board shall consist of not less than three (3) members.

### Board Structure and Election of Directors

The By-laws provide that all Directors shall be elected annually at each annual meeting of stockholders. Each Director will hold office for a term of one year or until his/her successor is duly elected and qualified, subject to such Director’s earlier death, resignation, disqualification or removal.

Each Director of the Company shall be elected by a majority of the votes cast; provided that, if the election is contested, a plurality of the votes cast shall be sufficient. In its considerations of whether to accept the resignation of an incumbent Director who does not receive a majority of the votes cast in accordance with Article I, Section 8 of the By-laws, the Board shall consider all such factors it deems relevant, which factors shall include, but not be limited to: (i) the stated reason that stockholders voted against a Director and whether such reason was based on actions authorized or approved by the full Board; (ii) a Director’s qualifications and contributions; (iii) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet any Securities and Exchange Commission or listing requirements; (iv) the availability of other qualified Director candidates; and (v) whether the acceptance of the resignation would trigger a default or breach under a material agreement to which the Company is a party.

### Director Independence

The Board shall be comprised of a majority of the Directors who qualify as “independent sref directors” in accordance with the applicable provisions of the Securities Exchange Act of 934, as amended (the “Exchange Act”), the rules promulgated thereunder, and the listing standards of

The NASDAQ Stock Market (“NASDAQ”), as they may be amended from time to time. The Board will consider all relevant facts and circumstances in making an independence determination. The Board shall review at least annually and at other times as appropriate and determine the independence of each Director.

### Meetings of the Board

Regular meetings of the Board shall be held at such times and places as determined by the Board and special meetings shall be held at other times as the Board may determine is appropriate.

### Board Meeting Materials

To the extent practicable, the Directors shall be provided with appropriate materials in advance of each meeting to permit prior review by the Directors.

### Executive Sessions of Non-Executive Directors

Directors who are not executives of the Company (the “non-executive Directors”) shall meet in executive session without the participation of management in connection with each regular meeting of the Board, and at other times as they may determine is appropriate.

### Board Leadership and Lead Director

The Board shall be responsible for establishing and maintaining the most effective leadership structure for the Company. To retain flexibility in carrying out this responsibility, the Board does not have a policy on whether the Chairman of the Board shall be an independent member of the Board. However, if the Chairman is not an independent Director, an independent, non-executive Director shall be designated by a majority of the independent, non-executive Directors of the Board as Lead Director. The duties and responsibilities of the Lead Director shall be to:

- Preside over all meetings of the Board at which the Chairman is not present, including executive sessions of the non-executive Directors and the independent Directors;
- Communicate to the Chairman of the Board feedback from executive sessions as appropriate;
- Serve as liaison between the Chairman of the Board and the independent Directors;
- Meet with the Audit Committee and/or the Compliance Steering Committee periodically;
- Approve information sent to the Board and meeting agendas for the Board;
- Approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- Call meetings of the non-executive Directors and/or independent Directors, if desired;
- Participate in the Compensation Committee’s evaluation of the performance of

the Chief Executive Officer (the “CEO”);

- Supervise the self-evaluations of the Directors in coordination with the Nominating and Corporate Governance Committee;
- Supervise the Board’s determination of the independence of its Directors; and
- Ensure his or her availability for consultation and direct communications, if requested by major stockholders.

The Board shall review its leadership structure at least annually taking into account the responsibilities of the leadership positions and the Directors qualified to hold such positions. In conducting this review, the Board shall consider, among other things: (i) the policies and practices in place that provide independent Board oversight; (ii) the Company’s performance and the effect a particular leadership structure may have on that performance; (iii) the structure that serves the best interests of the Company’s stockholders and (iv) any relevant legislative or regulatory developments.

#### Board Membership Criteria

The Nominating and Corporate Governance Committee of the Board (the “Nominating and Corporate Governance Committee”) is responsible for developing criteria for filling vacant Board positions, taking into consideration such factors as it deems appropriate. No single factor is determinative. Relevant considerations include the candidate’s education and background; his or her leadership and ability to exercise sound judgment; his or her general business experience and familiarity with the Group’s businesses; and whether he or she possesses unique expertise or perspective which will be of value to the Company. Candidates should not have any interests that would materially impair his or her ability to exercise independent judgment or otherwise discharge the fiduciary duties owed as a director to the Company and its stockholders. All candidates must be individuals of personal integrity and ethical character, and who value and appreciate these qualities in others. It is expected that each Director will devote the necessary time to the fulfillment of his or her duties as a Director. In this regard, the Nominating and Corporate Governance Committee will consider the number and nature of each Director’s other commitments, including other directorships. The Nominating and Corporate Governance Committee will seek to promote through the nominations process diversity on the Board of professional background, experience, expertise, perspective, age, gender, ethnicity and country of citizenship.

#### Outside Directorships

Without approval from the Board, the Chairman of the Board shall not be a member of the board of directors of more than two (2) other public companies, excluding boards of directors of companies affiliated with the Company.

Without approval from the Board, other members of the Board shall not be a member of the board of directors of more than four (4) other public companies, excluding boards of directors of companies affiliated with the Company; provided, however, that members of the Audit Committee shall not serve on the audit committees of more than two (2) other public companies.

### Change in a Director's Occupation

The Board does not believe that Directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. However, promptly following such an event, the Director must notify the Nominating and Corporate Governance Committee of such event and the Nominating and Corporate Governance Committee may take such event into consideration when determining whether to re-nominate such Director.

### Director Tenure and Retirement

The Company does not have established term limits or a set retirement age for Directors. The Company's policy regarding Director tenure and retirement is determined on a case-by-case basis depending upon various factors, including the age, experience, qualifications and performance of the Director and his or her history of service on the Board.

### Director Compensation

The Compensation Committee of the Board (the "Compensation Committee") is responsible for reviewing the compensation of non-executive Directors for their service on the Board and its committees. The Compensation Committee shall periodically review director compensation against the Company's peers and consider the appropriateness of the form and amount of director compensation and make recommendations to the Board concerning director compensation with a view toward attracting and retaining qualified Directors. Directors who are executives or employees of the Company shall not receive any additional compensation for serving as a Director.

### Directors Emeritus

The Board may, from time to time, by majority vote, elect one or more of its former Directors to serve as a Director Emeritus for one or more consecutive one-year terms or until such Director Emeritus' earlier resignation or removal by a majority of the Board for any reason or no reason. Directors Emeritus shall serve as consultants to the Board and may be asked to serve as consultants to committees of the Board. Directors Emeritus maybe invited to attend meetings of the Board or any committee of the Board and, if present, may participate in the discussions occurring at such meetings. Directors Emeritus shall not be counted for the purpose of determining whether a quorum of the Board or a committee of the Board is present and shall not have any of the responsibilities or liabilities of a Director, nor any of a Director's rights, powers or privileges. Directors Emeritus may be entitled to receive fees for such service in such form and amount as recommended by the Compensation Committee and approved by the Board, and shall be reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the Board and its committees. Directors Emeritus shall remain subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended, and shall remain subject to all 21st Century Fox policies applicable to Directors, including, but not limited to, the Standards of Business Conduct and the Insider Trading and Confidentiality Policy. Reference in the By-laws to "Directors" shall not mean or include Directors Emeritus.

## Non-Executive Director and Executive Officer Equity Ownership Requirements

Non-executive Directors and named executive officers are expected to have an appropriate equity ownership in the Company to more closely align their economic interests with those of other Company stockholders. Each non-executive Director shall be required to own equity securities of the Company (including deferred stock units) equal in value to at least five (5) times the amount of the non-executive Director's annual cash retainer for service on the Board within five (5) years of his or her first election to the Board or July 1, 2019 (the fifth anniversary of the adoption of this requirement), whichever is later. The Board will evaluate whether exceptions should be made in the case of any Director who, due to his or her unique financial circumstances, would incur a hardship in complying with this requirement. The Compensation Committee of the Board has adopted stock ownership guidelines for named executive officers.

## Director Orientation and Continuing Education

New Directors are given an orientation regarding the Group's businesses, corporate governance and reporting procedures and are updated on such matters on a continuing basis. In addition, Directors are advised with respect to policies and procedures applicable to Board and committee meetings and the rights and responsibilities of Directors. Various information reports are sent to the Board in order to keep them informed of the Group's businesses. The Company also encourages Directors to attend appropriate outside continuing education programs, the costs of which will be reimbursed by the Company.

## Director Access to Management and Independent Advisors

Directors receive operating and financial reports of the Company and have access to senior management at Board and Committee meetings. The Board shall have the authority to retain, terminate and determine the fees and terms of consultants, legal counsel and other advisors to the Board as the Board may deem appropriate in its discretion.

## Attendance at Annual Meeting of Stockholders

All Directors are encouraged to attend the Company's Annual Meeting of Stockholders.

## Board and Committee Self-Evaluations

The Nominating and Corporate Governance Committee, in coordination with the Lead Director, shall be responsible for conducting an annual review and evaluation of the Board's conduct and performance based upon completion by all Directors of a self-evaluation form that includes an assessment, among other things, of the Board's maintenance and implementation of the Company's standards of conduct and corporate governance policies. The review shall seek to identify specific areas, if any, in need of improvement or strengthening and shall culminate in a discussion by the full Board of the results and any actions to be taken.

Each of the standing committees of the Board shall evaluate its performance at least annually and report to the Board on such evaluation.

## Bonus Clawback Policies

The Board of Directors has policies requiring the recoupment of performance-based bonus compensation paid to the named executive officers in the event of certain financial restatements or of other bonus compensation paid to executives in certain other instances. The policies require reimbursement to the extent permitted by governing law and any employment arrangements entered into prior to the adoption of the policies.

## **Board Committees**

The Board has three standing committees:

- the Audit Committee;
- the Nominating and Corporate Governance Committee; and
- the Compensation Committee.

These committees are comprised entirely of independent Directors, as currently required under the rules of the Exchange Act and NASDAQ listing standards, including heightened independence rules and standards applicable to the members of the Audit Committee and Compensation Committee. Each committee is governed by a written charter approved by the Board. These charters are available on the Company's website at [www.21cf.com/BoardCommittees](http://www.21cf.com/BoardCommittees).

Each of the standing committees of the Board has the authority to retain, terminate and determine the fees and terms of consultants, legal counsel and other advisors to such committees as such committee may deem appropriate in its discretion.

## **Chief Executive Officer Evaluation and Succession**

The Compensation Committee is responsible for reviewing and approving goals and objectives relevant to the compensation of the Company's CEO, evaluating the performance of the CEO in light of the goals and objectives and recommending to the Board the compensation of the CEO based on such evaluation. The Lead Director shall participate in the Compensation Committee's evaluation of the performance of the CEO. The Board plans for succession to the position of CEO of the Company, which involves consideration of its policies and principles regarding selection and performance review of the CEO, and plans for succession in the event of an emergency or the retirement of the CEO. To assist the Board, the CEO shall provide the Compensation Committee and the Board with an assessment of members of senior management and their succession potential. The Compensation Committee shall report the results of these assessments to the Board. The Board shall review succession planning at least annually.

## **Ethical Standards**

The Board is committed to acting with the utmost integrity and expects the same of every employee at every level of the Company. The Board has adopted "Standards of Business Conduct." The full text of the Standards may be found on the Company's website. The Standards of Business Conduct confirm the Company's policy to conduct its affairs in compliance with all applicable laws and regulations and observe the highest standards of

business ethics. The Company intends that the spirit as well as the letter of those standards is followed by all Directors, officers and employees of the Company, its subsidiaries and divisions. This is communicated to each new Director, officer and employee and has already been communicated to those in positions at the time the Standards of Business Conduct were adopted. The Standards of Business Conduct deal with the following main areas:

- equal opportunity and unlawful harassment;
- health and safety of the workplace;
- conflicts of interest;
  - (a) business hospitality;
  - (b) gifts to government officials;
- improper benefit;
- corporate assets and information:
  - (a) Company property, including intellectual property;
  - (b) confidential information, including security of electronic information;
  - (c) document retention;
  - (d) legal matters;
- financial records and public communications;
- insider trading;
- relationships with competitors and other trade practices;
- good corporate citizenship;
- anti-bribery and anti-corruption;
- international trade laws and anti-boycott laws; and
- political activities and lobbying.

Employees are encouraged to raise any matters of concern with their supervisor or the relevant general counsel. The Standards of Business Conduct also apply to ensure compliance with stock exchange disclosure requirements and to ensure accountability at a senior management level for that compliance.

21st Century Fox and Fox News are affirmatively committed and obligated to a business practice and corporate value of zero tolerance for sexual harassment, race discrimination, and all other forms of discrimination prohibited by law, and a corporate policy that creates a safe, productive and welcoming workplace for all of their employees. 21st Century Fox and Fox News are also affirmatively committed and obligated to a business practice and corporate value of zero tolerance for retaliation. This commitment and obligation to zero tolerance for retaliation includes retaliation against anyone who in good faith complains about harassment or discrimination, or who provides support, as a witness or otherwise, for a complaint regarding harassment or discrimination.

### **Confidentiality**

Directors must protect and hold confidential non-public information that comes to them, from whatever source, in their capacity as a Director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

## **Code of Ethics for the CEO and Senior Financial Officers**

To further promote ethical and responsible decision making, the Board has established a Code of Ethics for the CEO and senior financial officers that is included in the Company's Standards of Business Conduct.

### **Protection for Company "whistleblowers"**

The Company has established procedures which have been incorporated into the Company's Standards of Business Conduct to facilitate the submission and review of complaints from employees regarding questionable accounting, internal controls or auditing matters on a confidential and anonymous basis. These procedures enable employees to make their concerns known without fear of retaliation and in the knowledge that procedures are in place to act upon their complaints.

### **Stockholder Communication**

Stockholders play an integral part in corporate governance and the Board ensures that stockholders are kept fully informed through:

- information provided on the Company's website ([www.21cf.com](http://www.21cf.com)), including its Annual Report which shall be distributed to all stockholders electing to receive it and which shall be available to all stockholders on request;
- reports and other disclosures made periodically by the Company to the Securities and Exchange Commission and NASDAQ; and
- notices and proxy statements of special and annual meetings.

It is the policy of the Company to facilitate communications of stockholders and other interested parties with the Board and its various committees. Stockholders may raise matters of concern at the annual meetings of stockholders. In addition, any stockholder or other interested party wishing to communicate with any Director, any committee of the Board or to the Board as a whole, may do so by submitting such communication in writing and sending it by regular mail to the attention of the appropriate party or to the attention of the Lead Director at 21st Century Fox, 1211 Avenue of the Americas, New York, New York 10036. This information is also posted on the Company's website at [www.21cf.com](http://www.21cf.com).

### **Communication with Third Parties**

The Board believes that it is, in general, the responsibility of management to speak for the Company in communications to outside parties (e.g. investors, the press and industry associations). Directors should only engage in such communications at the request of or after consultation with management.

### **Corporate Governance Review**

The Nominating and Corporate Governance Committee shall review this Statement no less than annually and shall recommend any changes to the Board for its approval.