



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

CITY OF MONROE EMPLOYEES'
RETIREMENT SYSTEM, derivatively on
behalf of TWENTY-FIRST CENTURY
FOX, INC.,

Plaintiff,

v.

RUPERT MURDOCH, LACHLAN
MURDOCH, JAMES MURDOCH,
CHARLES G. CAREY, DAVID F.
DEVOE, RODERICK I. EDDINGTON,
ROGER S. SILBERMAN, JACQUES A.
NASSER, JAMES W. BREYER,
JEFFREY W. UBBEN, VIET DINH,
DELPHINE ARNAULT, TIDJANE
THIAME, AND THE ESTATE OF
ROGER AILES,

Defendants,

and

TWENTY-FIRST CENTURY FOX,
INC.,

Nominal Defendant.

C.A. No. _____

NON-MONETARY RELIEF

The provisions set forth below constitute an agreement between Plaintiff the City of Monroe Employees' Retirement System ("Plaintiff") and Twenty-First Century Fox, Inc. ("Twenty-First Century Fox" or the "Company," and together with Plaintiff, the "Parties") on behalf of itself and the Board of Directors of

Twenty-First Century Fox (the “Board”), with regard to governance and compliance enhancements to be put in place in response to allegations of harassment, discrimination, and retaliation at Fox News Channel (“Fox News”) (hereinafter, the “Agreement” or the “Non-Monetary Relief”).

I. COMMITMENT STATEMENT AND RELATED OBLIGATIONS

1. Twenty-First Century Fox agrees to adopt and include in its Statement of Corporate Governance the following Commitment Statement to identify and define the commitments and objectives it agrees to through the adoption of initiatives as set forth in this Agreement:

Twenty-First 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. Twenty-First 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.

2. Twenty-First Century Fox will also issue a public statement explaining that the Board, through its Nominating and Corporate Governance Committee, will oversee Fox News’s performance of the commitments expressed in the Commitment Statement. The public statement will include the message that

the Board considers it important to review and remain informed about Fox News's compliance with the commitments and obligations expressed in the Commitment Statement and the rest of this Agreement.

II. THE FOX NEWS WORKPLACE PROFESSIONALISM AND INCLUSION COUNCIL

3. The Board, through the Nominating and Corporate Governance Committee, will authorize and oversee the creation of the Fox News Workplace Professionalism and Inclusion Council, which shall report directly to the Nominating and Corporate Governance Committee, and separately to the Chief Executive Officer ("CEO") of Fox News, as described in detail below.

4. The charter of the Nominating and Corporate Governance Committee shall be revised to reflect the Nominating and Corporate Governance Committee's responsibilities with respect to the Fox News Workplace Professionalism and Inclusion Council and Fox News's compliance with this Agreement, including the performance of the commitments expressed in the Commitment Statement.

A. Purpose

5. The Fox News Workplace Professionalism and Inclusion Council will provide and engage in independent oversight and guidance of Fox News's efforts to ensure the fair, equitable, prompt and effective implementation by Fox News of the terms of this Agreement, as set forth in the actions described below.

B. Membership and Operation

6. Membership. The Fox News Workplace Professionalism and Inclusion Council will have a majority of independent members, consisting of the following:

- a. Thomas Gaissmaier, Executive Vice President, Chief Human Resources Officer, Twenty-First Century Fox, or his successor in that position, who will serve as the Chair;
- b. Kevin Lord, Executive Vice President Human Resources, Fox News Channel, or his successor in that position;
- c. two (2) independent appointees nominated by Twenty-First Century Fox, with approval by Plaintiff, which shall not be unreasonably withheld; and
- d. two (2) independent appointees nominated by Plaintiff, with approval by the Company, which shall not be unreasonably withheld.

7. Nomination and Approval of Members. Each party's two (2) nominees to the Fox News Workplace Professionalism and Inclusion Council shall include one (1) individual who has expertise in the fields of enhancing workplace civility and equality, strengthening corporate compliance with anti-harassment, anti-discrimination, and/or anti-retaliation law and policies, and/or advancing

sexual and racial diversity in the workplace; and one (1) person of respected stature with relevant experience in the media industry.

- a. The Parties shall promptly and fully disclose to each other relevant information on each of their respective nominees for review and comment, including, but not limited to the names and professional backgrounds and other relevant experience of the nominees and a full disclosure of any relationship each nominee has or has had with the Parties, counsel for the Parties, Twenty-First Century Fox, or Fox News, including whether the nominee owns Twenty-First Century Fox stock and/or options and, if so, in what amounts. Objections or concerns about another party's nominees shall be expressed privately and informally among counsel.
- b. If the Parties are not able to agree to the nominees to the Council, either party may apply to the Arbiter (described below in the dispute-resolution provision) for assistance in connection with the appointment of a member or members of the Fox News Workplace Professionalism and Inclusion Council.

8. Method for Replacement. In the event that a Fox News Workplace Professionalism and Inclusion Council member is unable or unwilling to continue

to serve as a member of the Council, the party who nominated that Council member shall nominate a replacement for that member, after disclosing all relevant information concerning the replacement nominee (as described above) to the other party for review and comment. If the Chair is unwilling or unable to continue to serve as Chair, the Parties shall jointly select a new Chair. The views of the Council members shall be solicited prior to any such selection.

9. Compensation. In order to ensure the participation and commitment of the highest quality professionals, Twenty-First Century Fox shall compensate each outside member of the Fox News Workplace Professionalism and Inclusion Council for his or her services at a fair and reasonable rate for consultants with comparable skills and experience.

10. Consultation with Fox News Employees. Kevin Lord will appoint members of Fox News's senior staff to assist the Fox News Workplace Professionalism and Inclusion Council in performing its duties on an as needed basis. Mr. Lord will help the Council identify Fox News employees who may, from time to time, attend meetings of the Council in order to assist the Council in meeting its responsibilities including, but not limited to providing the Council with information, and to otherwise ensure that Fox News employees understand the work of the Council. Mr. Gaissmaier will similarly facilitate consultation with and input from employees of Twenty-First Century Fox, as appropriate.

C. Authority

11. The Fox News Workplace Professionalism and Inclusion Council will have full authority and responsibility to fulfill the objectives set forth in the Commitment Statement, as set forth below.

D. Meetings

12. The Fox News Workplace Professionalism and Inclusion Council will meet at least four times per year. The Fox News Workplace Professionalism and Inclusion Council will meet with the Chair of the Nominating and Corporate Governance Committee at least twice per year and will meet with the full Nominating and Corporate Governance Committee at least once per year. Prior to meeting with the Chair of the Nominating and Corporate Governance Committee and publication, the Fox News Workplace Professionalism and Inclusion Council will provide the Chair of the Nominating and Corporate Governance Committee with drafts of the majority and any minority report, to facilitate Board-level engagement and possible resolution of issues reflected in those reports.

13. The Fox News Workplace Professionalism and Inclusion Council shall seek consensus in setting the agenda for the Council's work, in making recommendations to Fox News's CEO and senior management and in reporting to the Nominating and Corporate Governance Committee; provided, however, that

each individual member of the Fox News Workplace Professionalism and Inclusion Council has the authority to place items on the agenda of Council meetings and to participate in presenting or discussing those and all other agenda items, as well as to raise concerns directly to the Chair of the Fox News Workplace Professionalism and Inclusion Council, the Chair of the Nominating and Corporate Governance Committee, and/or the Chief Compliance Officer of Twenty-First Century Fox.

14. In order to ensure that the Fox News Workplace Professionalism and Inclusion Council can receive the most candid assessments of the workplace at Fox News and the effectiveness of the Council's work, the Fox News Workplace Professionalism and Inclusion Council may convene executive sessions of all the independent members.

E. Reporting Responsibilities

15. The Fox News Workplace Professionalism and Inclusion Council's reporting responsibilities will include:

- a. written reports, to be finalized after meeting with the Chair of the Nominating and Corporate Governance Committee as provided in paragraph 12, above, including majority and minority reports as needed, to the Board at least twice per year during the first two years of this Agreement and at least once

per year during years three through five of this Agreement, which will be posted on Twenty-First Century Fox's public website and Fox News's public website, and which must include sufficient detail to evaluate Fox News's implementation of the Commitment Statement and the rest of this Agreement. The annual report of Twenty-First Century Fox will identify the Fox News Workplace Professionalism and Inclusion Council and refer to the webpages or sections of the Twenty-First Century Fox and Fox News websites where the majority and minority reports of the Council are posted.

16. In formulating recommendations regarding Fox News's practices and procedures, the Council will be provided all available information regarding allegations or complaints concerning harassment, discrimination, and/or retaliation at Fox News that Fox News's Human Resources and Legal departments receive; a summary of the matters reported; and the nature of Fox News's response to and investigation of the matters, including any determinations made and any penalties or sanctions imposed, but in no event shall the identity of any individuals who have made such allegations be included in any of the Council's reports that are publicly posted without that individual's consent, nor shall the Company's attorney-client privilege or work product be effectively waived or the Company's legal position or

ability to defend against any claims be compromised. The exclusive purpose of providing the Council with access to information regarding allegations and Fox News's response to those allegations is to assist the Council in making recommendations regarding the policies, practices and procedures for responding to and addressing such allegations and otherwise to monitor Fox News's implementation of the Commitment Statement.

F. Consultants and Investigations

17. The Fox News Workplace Professionalism and Inclusion Council may as appropriate hire consultants. The Council may also make recommendations to Fox News senior management, Fox News HR department, or to the General Counsel of 21CF, as the Council deems appropriate, to conduct an investigation, to consult with the person(s) or entity conducting such investigation as the Council deems necessary, and to be informed of the outcome of that investigation in a manner consistent with the preservation of the Company's attorney-client and work product privileges. The Company will fund the hiring of any such consultants and any such investigation.

G. Key Responsibilities

18. The Fox News Workplace Professionalism and Inclusion Council shall be responsible for providing support for and monitoring Fox News's compliance with the commitments set forth in the Commitment Statement, with

respect to recruitment, hiring and advancement; workplace civility, anti-harassment and anti-discrimination training; and providing adequate and redundant mechanisms for receiving and appropriately investigating and responding to complaints, and avoiding retaliation. The Council is charged with assessing Fox News's practices and procedures with respect to these areas, making recommendations to Fox News management with respect to these practices and procedures, assessing management's response, and reporting on these matters to the Nominating and Corporate Governance Committee.

19. Data-gathering. The Fox News Workplace Professionalism and Inclusion Council, with the participation of Fox News, will gather and maintain relevant data, through individual meetings (including with current or former employees of Fox News), and surveys (addressed further below) and other means, to carry out its responsibilities.

- a. Fox News will gather and provide to the Fox News Workplace Professionalism and Inclusion Council at its request data relevant to the Council's objectives and responsibilities.
- b. The Fox News Workplace Professionalism and Inclusion Council may speak and meet for interviews and discussions, in both formal and informal settings, on- and off-site, with current or former employees of Fox News, including managers and

non-managerial employees, as well as consultants, vendors, contributors and others who currently work with Fox News in any capacity. Fox News will prohibit any and all retaliation against any employee who speaks with or meets with the Fox News Workplace Professionalism and Inclusion Council.

20. Periodic anonymous surveys. Twenty-First Century Fox agrees to fund and enable the administration of anonymous, periodic online surveys of employees, consultants, contributors, and others who work or have worked in relevant ways with Fox News. At the direction of the Fox News Workplace Professionalism and Inclusion Council, these surveys may be conducted annually by a non-affiliated, expert firm in consultation with the Fox News Workplace Professionalism and Inclusion Council.

21. Communications. The Fox News Workplace Professionalism and Inclusion Council, with the participation of Fox News, will also make recommendations to management regarding long-term and short-term communications vehicles to help foster an environment within Fox News that is free from harassment, discrimination and retaliation.

22. Accountability-based performance. The Fox News Workplace Professionalism and Inclusion Council may offer recommendations to management to ensure that engagement in or tolerance of sexual and racial harassment,

discrimination or retaliation related in any way to harassment or discrimination will result in appropriate discipline, including but not limited to appropriate remedial actions, reduced compensation, and termination as appropriate.

23. Mandatory reporting requirements. The Fox News Workplace Professionalism and Inclusion Council may offer recommendations to management regarding the development and implementation of mandatory reporting requirements on all managers or supervisors who witness sexual or racial harassment, discrimination, or retaliation.

H. Additional Actions

24. The Company and Fox News have already launched the following initiatives, which will continue on an ongoing basis throughout the term of this Agreement:

- a. All settlements for claims of sexual harassment or discrimination, racial harassment or discrimination, or retaliation, must be reviewed by the Group General Counsel of Twenty-First Century Fox, regardless of the amount of the settlement;
- b. All claims of sexual harassment or discrimination, racial harassment or discrimination, or retaliation, at Fox News, must be reported by Fox News Human Resources to the Group General Counsel of Twenty-First Century Fox;

- c. Fox News will continue to conduct “live” harassment and discrimination training for every employee of Fox News, which is preceded by a video introduction from the senior leadership of the Company emphasizing its importance.
- d. All claims or accusations of sexual harassment or discrimination, or other forms of illegal discrimination or retaliation, that are made by employees of Twenty-First Century Fox or any of its subsidiaries are to be reported to the Legal Department of Twenty-First Century Fox.
- e. The Company and its subsidiaries shall not enter into any agreements that provide that, in the event that any executives of the Company or its subsidiaries are no longer providing services, that any other employee has the right to terminate his or her employment and receive a significant amount of money after such termination of employment, without the consent of senior management of the Company.

25. Fox News employees or talent who enter into settlement(s) with other employees relating to claims of sexual harassment or discrimination, racial harassment or discrimination, or retaliation, are required to inform the Group General Counsel of Twenty-First Century Fox of such settlement(s), regardless of the amount of the settlement(s).

26. The Company's Clawback Policy regarding the portion of discretionary bonus compensation paid to executives shall be modified to include recoupment for reasons pertaining to harassment, discrimination and/or retaliation, including, but not limited to the failure to respond to allegations or complaints.

III. MECHANISM FOR RESOLVING DISPUTES

27. Any disputes concerning the implementation of this Agreement will be referred to a retired state or federal judge acceptable to both Parties (the "Arbiter").

IV. TERM OF THE AGREEMENT

28. It is agreed that the term of the Agreement is five (5) years, and that any decision to modify or terminate the Fox News Workplace Professionalism and Inclusion Council or the Commitment Statement taken at the time of the termination of this Agreement shall be made by the Board, with a publicly posted description of the Board's reasoning for any such decision.