

**From:** Sheldon Mills [REDACTED]  
**Sent:** 19 April 2011 21:48  
**To:** Bavasso, Antonio:CO (LN)  
**Cc:** Jeff.Palker [REDACTED]; Andrea.Appella [REDACTED]; Darbon, Cerry:CO (LN); Long, Dominic:CO (LN); Stephen.Unger [REDACTED]; Nicholas Scola; clive.carter [REDACTED]  
**Subject:** RESTRICTED: Newscorp/BSkyB - OFT/Ofcom Additional questions re the draft brand licensing and carriage agreements and responses to the DCMS consultation on the UIL  
**Categories:** Copied to Virtual File  
**Attachments:** Restricted - PROPOSED ACQUISITION BY NEWS CORP OF BSKYB - Questions 19 April 2011.pdf  
**FolderLibrary:** CO  
**FolderNumber:** 12977143  
**MatterInformation:** MATTER\_ID:0000367|CLIENT\_ID:0012561

Dear Antonio,

Many thanks for your responses to our earlier questions relating to the draft brand licensing agreements and carriage agreements. I attach a further set of questions which relate to the following specific areas:

(1) further questions relating to the brand licensing and carriage agreements which take account of your responses dated 1 April and 12 April.

(2) questions which arise from third party responses to the consultation launched by DCMS on the UIL. As you will appreciate, the responses to the consultation have been voluminous and have necessitated detailed review in order to ensure that we ask appropriate questions which will serve to enhance the UIL proposal or, in respect of which, it is appropriate to seek your view/comment.

(3) detailed questions relating to the timing and mechanics of the UIL. I would urge you to respond in full to these questions since we wish to understand in some detail how, in practice, you understand the UIL will operate. We also include certain suggestions that we consider (following both responses to the third party consultation and further consideration) will lead to improvements to the UIL and its effective operation.

I anticipate, dependent on your responses, that this should be the final round of detailed questions prior to us providing our advice to the Secretary of State. I will endeavour to discuss with your team tomorrow both the timing for responses to these questions, the background to them and next steps.

In addition, in the interests of time, I would suggest that we schedule a meeting to discuss both your responses to the questions (including those attached to this email) and any issues which are pertinent to our advice to the Secretary of State (or issues which require resolution following receipt of your responses to the attached questions) in the week commencing 2 May. If you are amenable to this, we can arrange a convenient date and time.

Kind regards,

Sheldon

**Sheldon Mills**

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**PROPOSED ACQUISITION BY NEWS CORP OF BSKYB**

**OFT / OFCOM QUESTIONS TO NEWS  
RE CARRIAGE AGREEMENT, BRAND LICENCE AND  
ADDITIONAL QUESTIONS EMERGING FROM THE CONSULTATION RESPONSES**

19 APRIL 2011

**1. Introduction**

1.1. This document sets out below questions for News Corporation (News) in relation to the undertakings in lieu (UIL) of 1 March 2011 on which the Secretary of State publicly consulted in light of the responses to that public consultation. The questions also relate to the draft carriage agreement and brand licence attached to Dominic Long's email to Sheldon Mills of 14 April 2011 and the revised business plan received by the OFT and OFCOM on 12 April 2011.

1.2. It is divided into three sections:

1.2.1. section 2 – questions and issues relating to the draft carriage agreement and brand licence;

1.2.2. section 3 – questions arising as a result of responses to DCMS' consultation on the proposed UILs; and

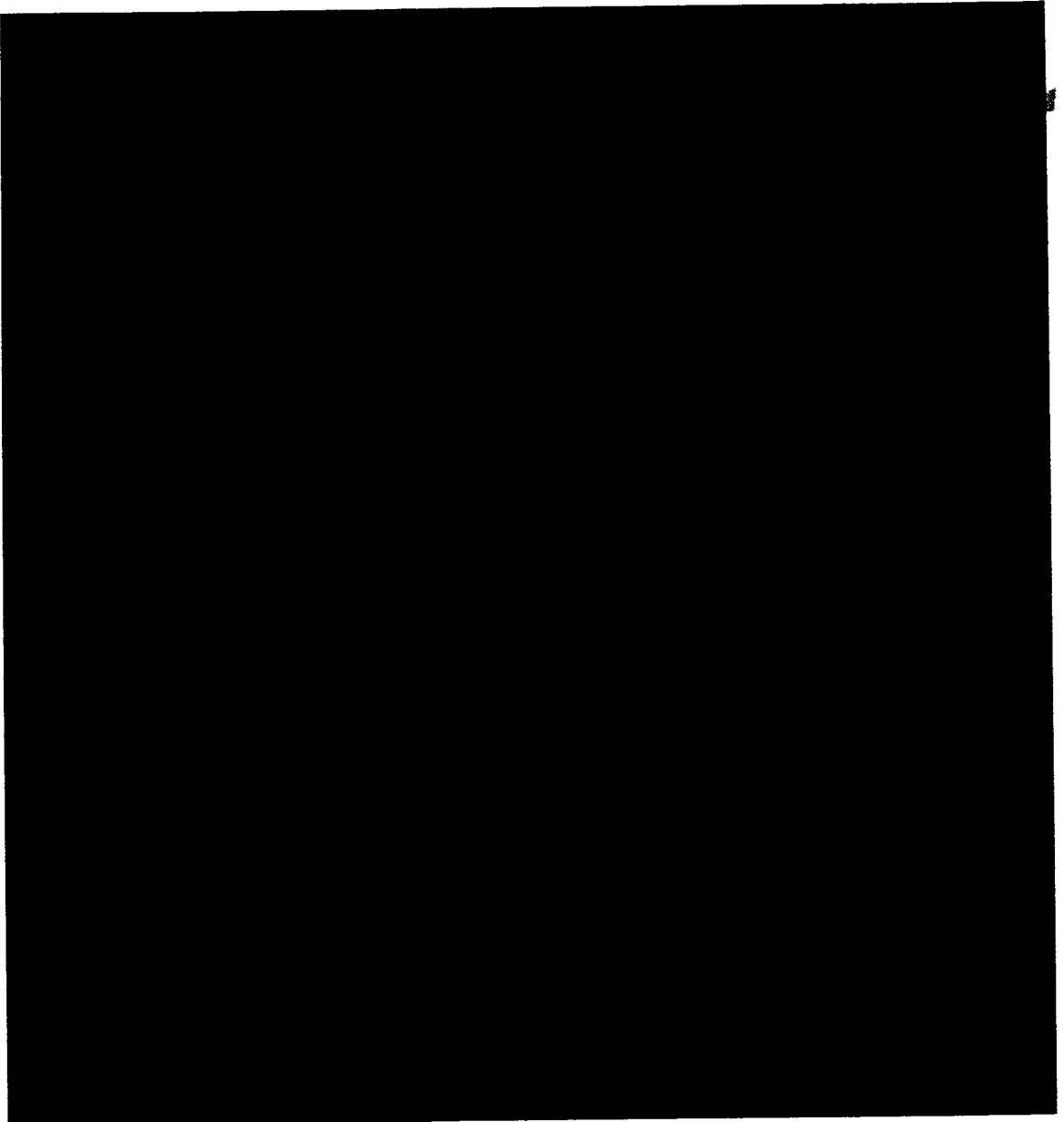
1.2.3. section 4 – questions relating to the mechanics of implementing the UILs and the spin-off of Newco.

1.3. OFT / OFCOM request a response to these questions by 5pm on 27 April 2011. However, to the extent that it is not possible to provide a response in full by this point, they request that as much information as possible is supplied by this date, with the full response to be provided by 4 May 2011.

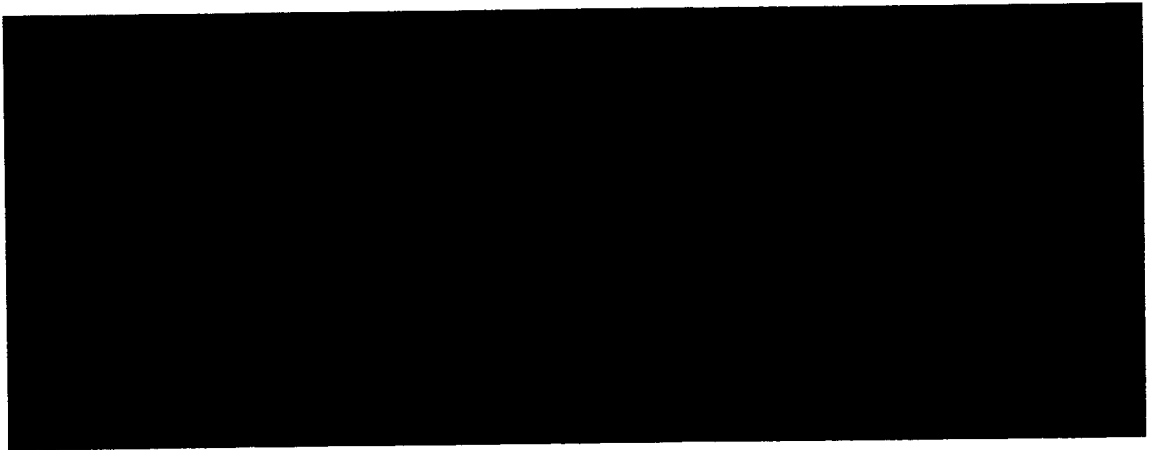
**2. Questions and issues relating to the draft carriage agreement and brand licence**

2.1. The questions below relate to News' response of 12 April to the OFT / OFCOM questions of 8 April 2011.

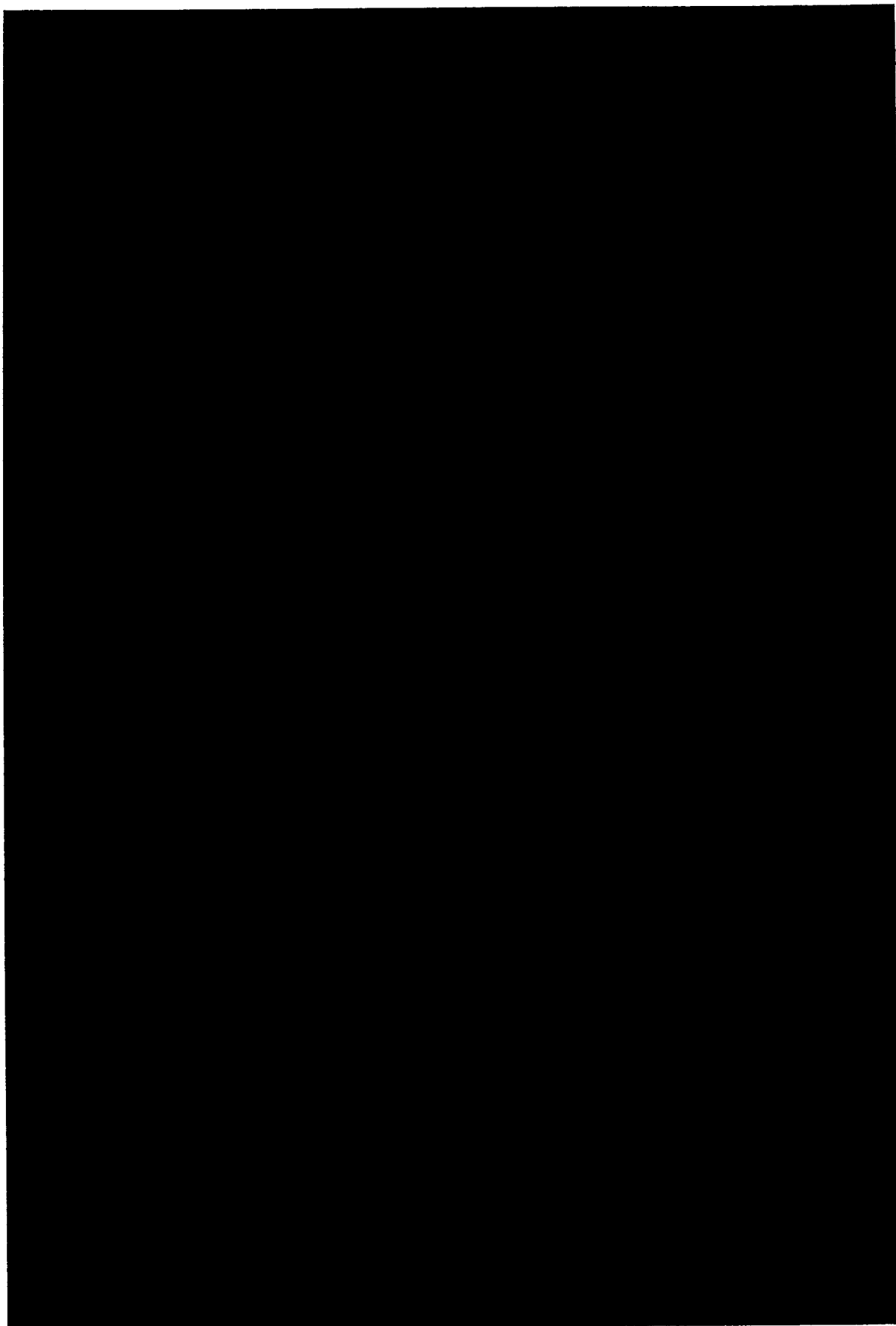
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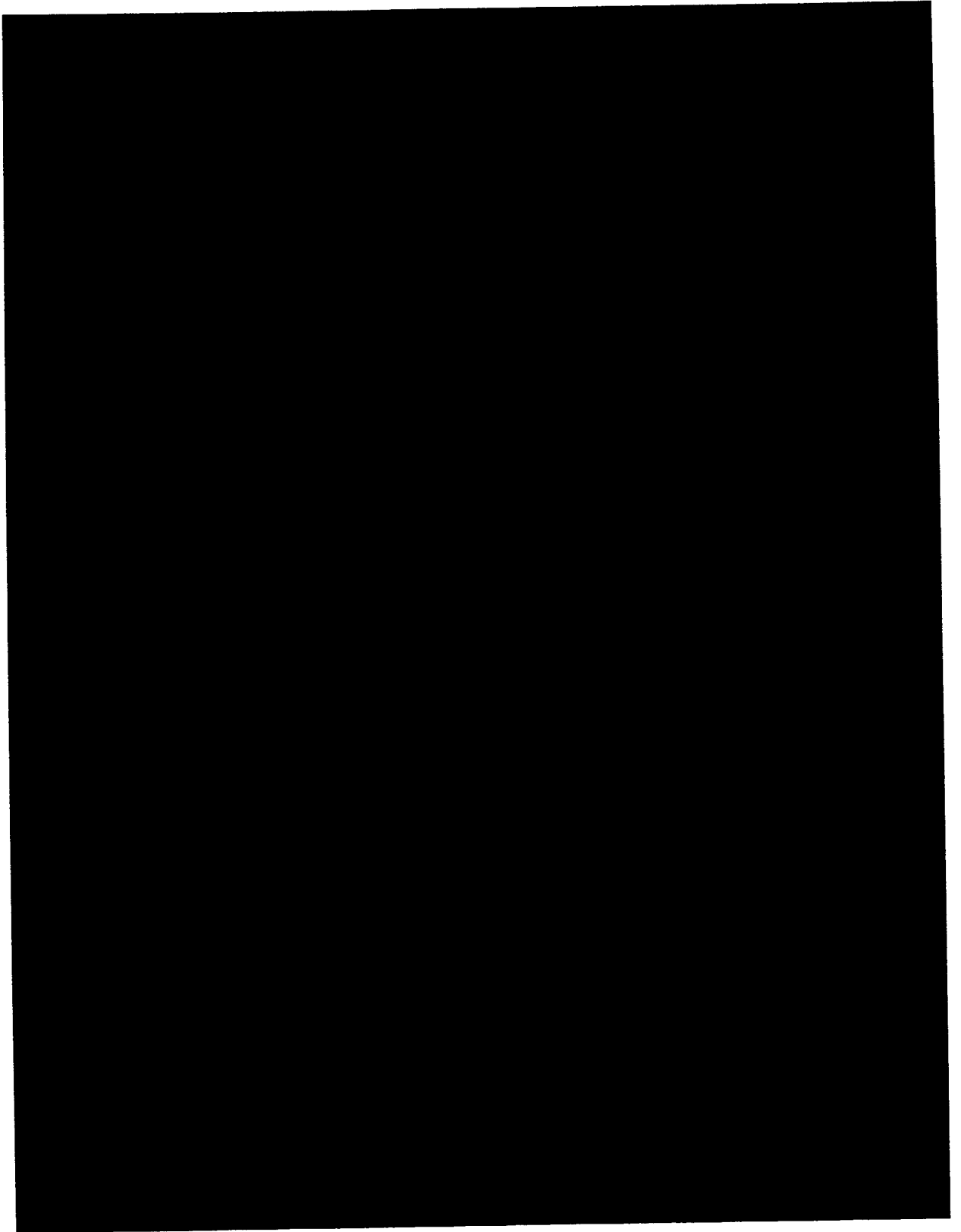
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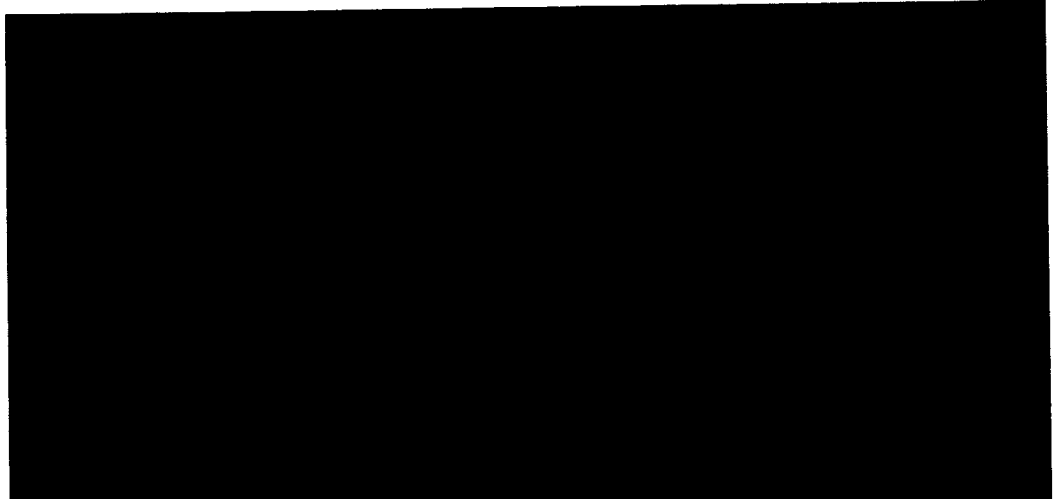
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**3. Questions (and potential amendments to the UIL) arising as a result of responses to DCMS' consultation**

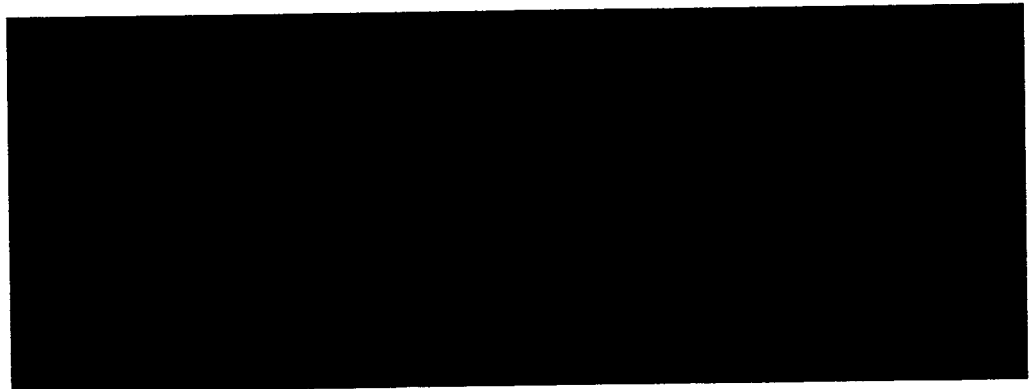
**3.1. Corporate governance**



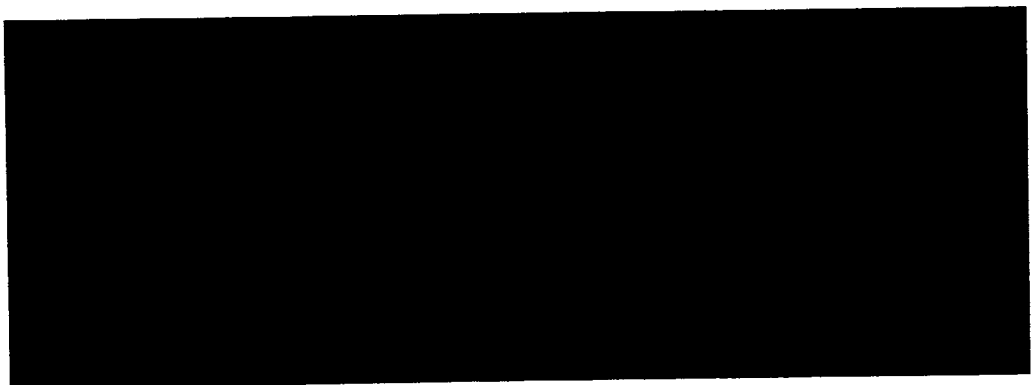
**3.2. AIM -**



**3.3. Articles of Association**



**3.4. Material Transactions**





[REDACTED]

**3.5. Non-termination of key agreements**

[REDACTED]

**3.6. Terms of contracts between News and Newco -**

[REDACTED]

**3.7. Interim action**

[REDACTED]

**3.8. Non-solicitation**

[REDACTED]

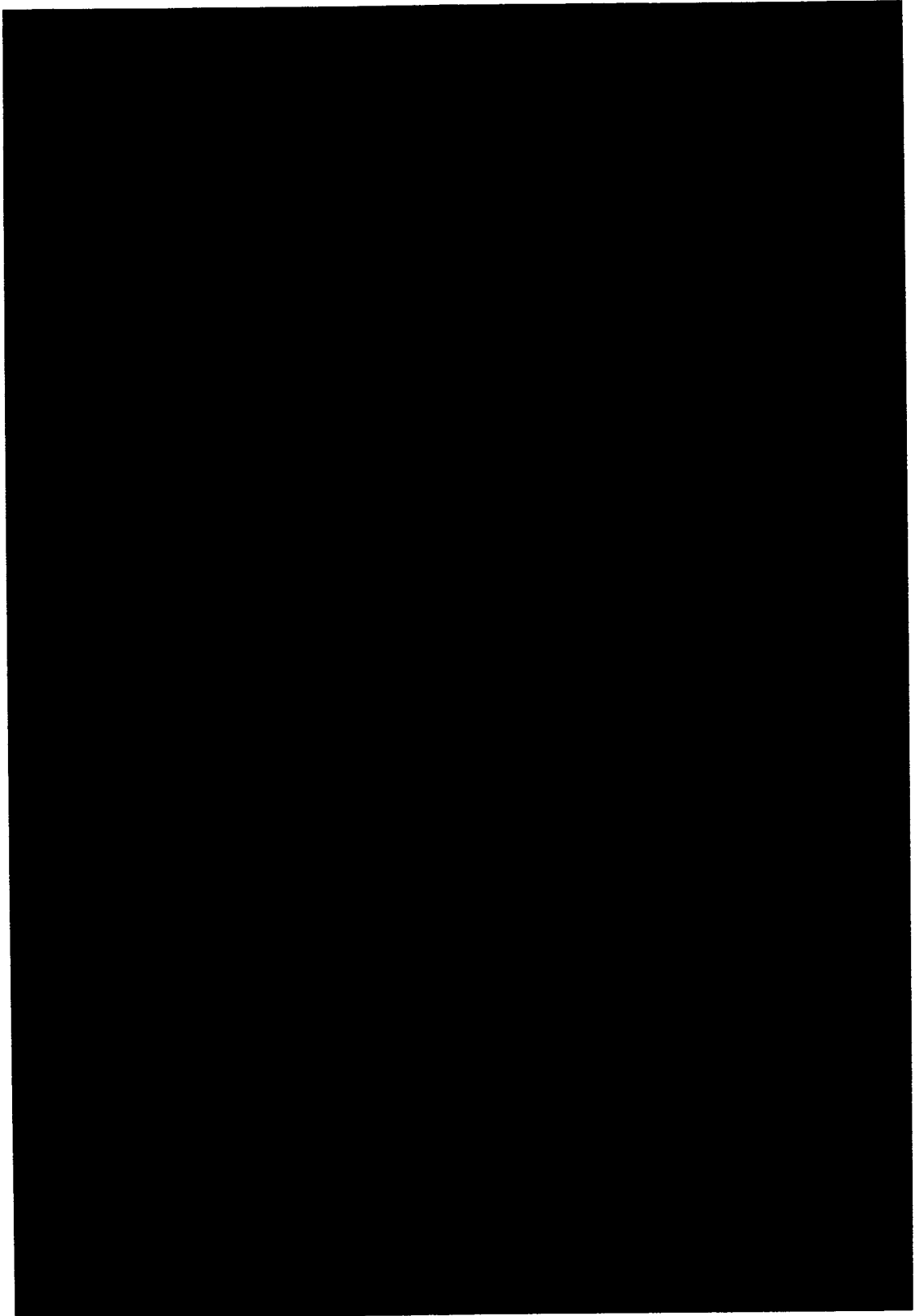
**3.9. Audit rights re operational agreements**

[REDACTED]

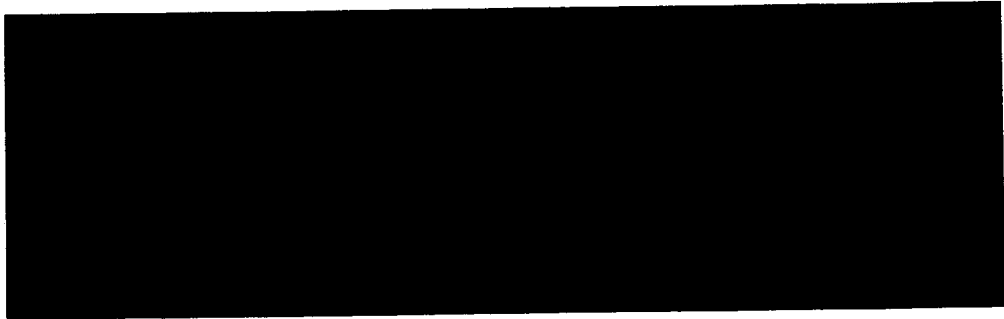
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**3.10. Mechanics and timing of spin-off – see section 4 below.**

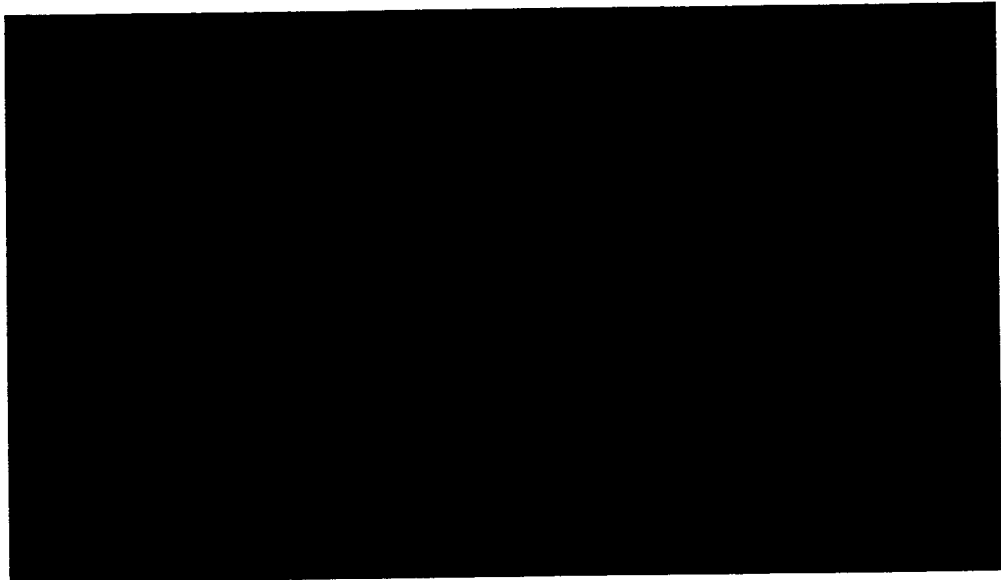
**4. Mechanics and timing of spin-off**



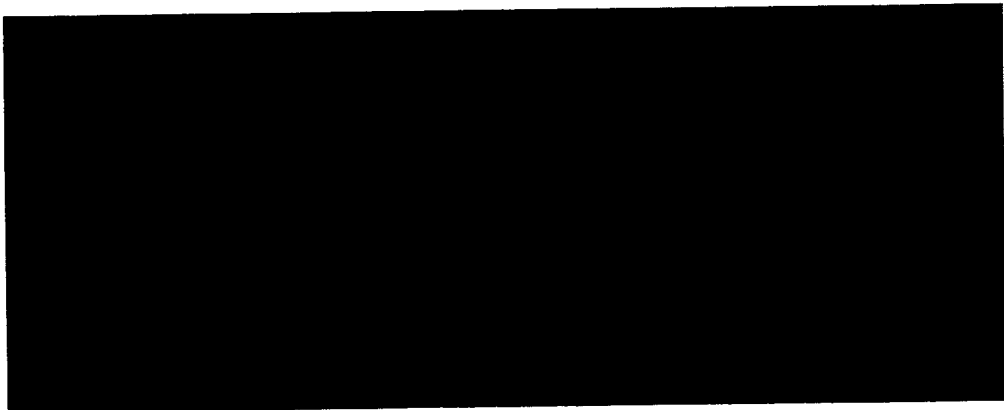
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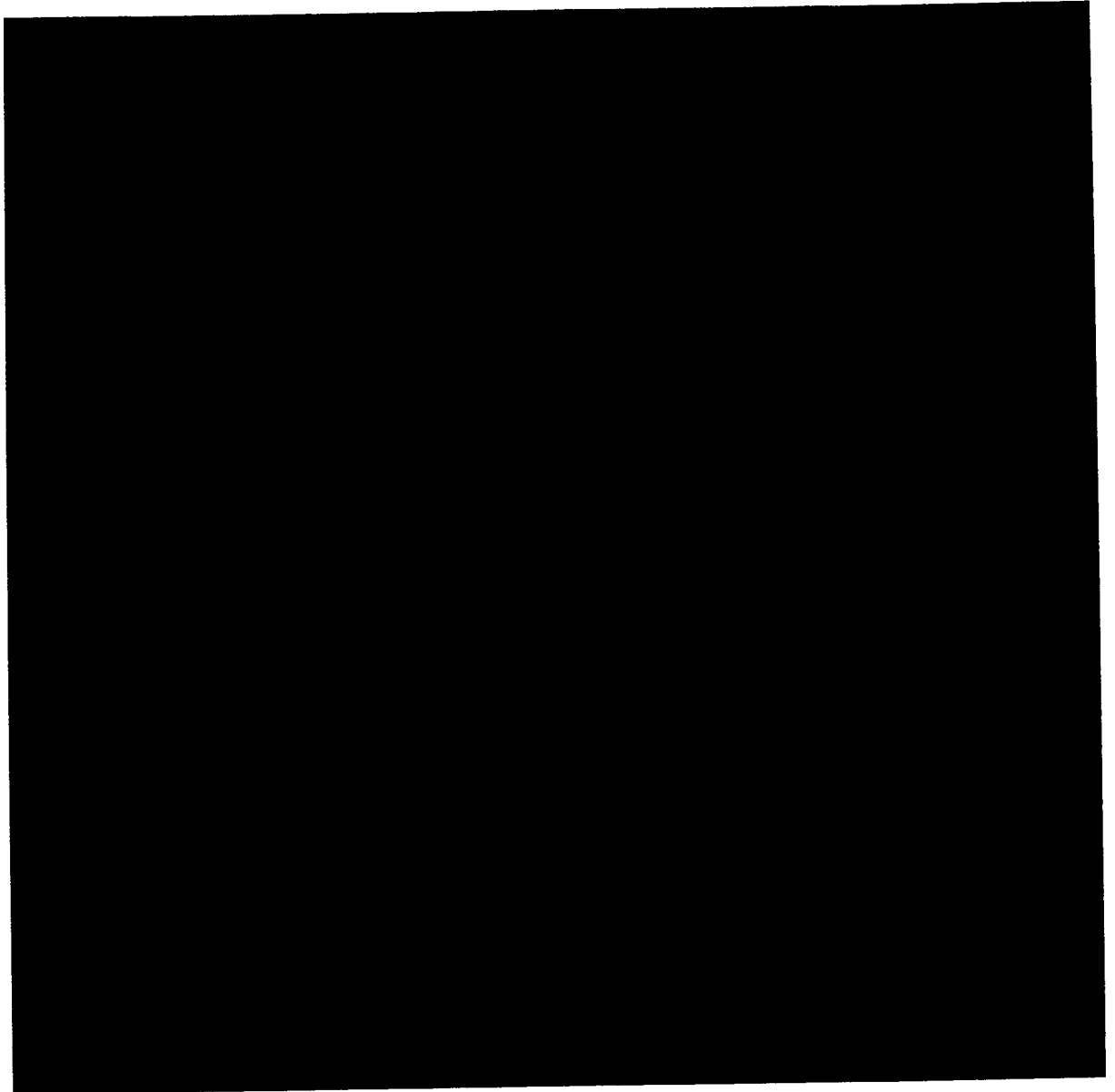
**4.1.4. Corporate governance**



**4.1.5. Spin-off and admission to trading**



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**OFT / OFCOM**  
**19 April 2011**