

REFINITIV

# DELTA REPORT

## 10-Q

FOXA - FOX CORP

10-Q - DECEMBER 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	823
CHANGES	123
DELETIONS	449
ADDITIONS	251

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

FORM 10-Q

(Mark One)

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

For the  
quarterly  
period ended  
September 30,  
2023 December  
31, 2023

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 001-38776

FOX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation or organization)

83-1825597  
(I.R.S. Employer  
Identification No.)

1211 Avenue of the Americas  
New York, New York 10036  
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code (212) 852-7000

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

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

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 x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o

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. o

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

As of [October 31, 2023](#) [February 5, 2024](#), [247,226,541](#) [239,295,115](#) shares of Class A Common Stock, par value \$0.01 per share, and 235,581,025 shares of Class B Common Stock, par value \$0.01 per share, were outstanding.

FOX CORPORATION  
FORM 10-Q  
TABLE OF CONTENTS

	Page
Part I. Financial Information	
Item 1. Financial Statements	
<a href="#">Unaudited Consolidated Statements of Operations for the three and six months ended <a href="#">September 30, 2023</a> <a href="#">December 31, 2023</a> and 2022</a>	1
<a href="#">Unaudited Consolidated Statements of Comprehensive Income for the three and six months ended <a href="#">September 30, 2023</a> <a href="#">December 31, 2023</a> and 2022</a>	2
<a href="#">Consolidated Balance Sheets as of <a href="#">September 30, 2023</a> <a href="#">December 31, 2023</a> (unaudited) and June 30, 2023 (audited)</a>	3
<a href="#">Unaudited Consolidated Statements of Cash Flows for the three and six months ended <a href="#">September 30, 2023</a> <a href="#">December 31, 2023</a> and 2022</a>	4
<a href="#">Unaudited Consolidated Statements of Equity for the three and six months ended <a href="#">September 30, 2023</a> <a href="#">December 31, 2023</a> and 2022</a>	5
<a href="#">Notes to the Unaudited Consolidated Financial Statements</a>	6
Item 2. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	18
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">27</a> <a href="#">28</a>
Item 4. <a href="#">Controls and Procedures</a>	<a href="#">27</a> <a href="#">29</a>
Part II. Other Information	
Item 1. <a href="#">Legal Proceedings</a>	<a href="#">28</a> <a href="#">30</a>
Item 1A. <a href="#">Risk Factors</a>	<a href="#">28</a> <a href="#">30</a>
Item 2. <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	<a href="#">29</a> <a href="#">30</a>
Item 3. <a href="#">Defaults Upon Senior Securities</a>	<a href="#">30</a> <a href="#">31</a>
Item 4. <a href="#">Mine Safety Disclosures</a>	<a href="#">30</a> <a href="#">31</a>
Item 5. <a href="#">Other Information</a>	<a href="#">30</a> <a href="#">31</a>
Item 6. <a href="#">Exhibits</a>	<a href="#">30</a> <a href="#">31</a>
<a href="#">Signature</a>	<a href="#">31</a> <a href="#">32</a>

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

		For the three months ended September 30,		For the three months ended December 31,		For the six months ended December 31,	
		2023	2022	2023	2022	2023	2022
Revenues	Revenues	\$3,207	\$3,192				

Operating expenses	Operating expenses	(1,862)	(1,656)
Selling, general and administrative	Selling, general and administrative	(480)	(448)
Depreciation and amortization	Depreciation and amortization	(96)	(99)
Interest expense, net	Interest expense, net	(42)	(68)
Other, net	Other, net	(166)	(76)
Income before income tax expense	Income before income tax expense	561	845
Income tax expense	Income tax expense	(146)	(232)
Net income	Net income	415	613
Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests	(8)	(8)
Net income attributable to Fox Corporation stockholders	Net income attributable to Fox Corporation stockholders	\$ 407	\$ 605
<b>EARNINGS PER SHARE DATA</b>	<b>EARNINGS PER SHARE DATA</b>		

<b>EARNINGS PER SHARE DATA</b>			
<b>EARNINGS PER SHARE DATA</b>			
<b>Weighted average shares:</b>			
<b>Weighted average shares:</b>			
<b>Weighted average shares:</b>	<b>Weighted average shares:</b>		
Basic	Basic	492	550
Basic			
Basic			
Diluted	Diluted	494	552
<b>Net income attributable to Fox Corporation stockholders per share:</b>			
Basic		\$ 0.83	\$ 1.10
Diluted		\$ 0.82	\$ 1.10
<b>Net income attributable to Fox Corporation stockholders per share - basic and diluted</b>			
<b>Net income attributable to Fox Corporation stockholders per share - basic and diluted</b>			
<b>Net income attributable to Fox Corporation stockholders per share - basic and diluted</b>			

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

FOX CORPORATION

**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(IN MILLIONS)

		For the three months ended September 30,	
		2023	2022
For the three months ended December 31,		For the three months ended December 31,	
2023		2023	2022
2023		2022	
2023		2022	
Net income	Net income	\$415	\$613
<b>Other comprehensive loss, net of tax:</b>			
<b>Other comprehensive income, net of tax:</b>			
Benefit plan adjustments and other	Benefit plan adjustments and other	(2)	(2)
Other comprehensive loss, net of tax		(2)	(2)
Benefit plan adjustments and other			
Benefit plan adjustments and other			
Other comprehensive income, net of tax			
Comprehensive income	Comprehensive income	413	611
Less: Net income attributable to noncontrolling interests(a)	Less: Net income attributable to noncontrolling interests(a)	(8)	(8)
Comprehensive income attributable to Fox Corporation stockholders	Comprehensive income attributable to Fox Corporation stockholders	\$405	\$603

(a) Net income attributable to noncontrolling interests includes nil \$(4) million and \$(5) million for the three months ended September 30, 2023 December 31, 2023 and 2022, respectively, and \$(4) million and \$(10) million for the six months ended December 31, 2023 and 2022, respectively, relating to redeemable noncontrolling interests.

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

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

		As of September 30, 2023	As of June 30, 2023
		(unaudited)	(audited)
As of December 31, 2023		As of December 31, 2023	As of June 30, 2023
(unaudited)		(unaudited)	(audited)
<b>ASSETS</b>	<b>ASSETS</b>		
<b>Current assets</b>			

Current assets			
Current assets	Current assets		
Cash and cash equivalents	Cash and cash equivalents	\$ 3,829	\$ 4,272
Receivables, net	Receivables, net	2,420	2,177
Inventories, net	Inventories, net	751	543
Other	Other	239	265
Total current assets	Total current assets	7,239	7,257
Non-current assets	Non-current assets		
Property, plant and equipment, net	Property, plant and equipment, net	1,683	1,708
Property, plant and equipment, net			
Property, plant and equipment, net			
Intangible assets, net	Intangible assets, net	3,072	3,084
Goodwill	Goodwill	3,557	3,559
Deferred tax assets	Deferred tax assets	3,042	3,090
Other non-current assets	Other non-current assets	3,056	3,168
Total assets	Total assets	\$ 21,649	\$21,866
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY		
Current liabilities	Current liabilities		
Current liabilities			
Borrowings			
Borrowings			
Borrowings	Borrowings	\$ 1,250	\$ 1,249
Accounts payable, accrued expenses and other current liabilities	Accounts payable, accrued expenses and other current liabilities	2,339	2,514
Total current liabilities	Total current liabilities	3,589	3,763
Non-current liabilities	Non-current liabilities		
Borrowings	Borrowings	5,962	5,961
Borrowings			
Borrowings			
Other liabilities	Other liabilities	1,419	1,484
Redeemable noncontrolling interests	Redeemable noncontrolling interests	228	213

Commitments and contingencies	Commitments and contingencies	Commitments and contingencies	
<b>Equity</b>	<b>Equity</b>		
Class A Common Stock <sup>(a)</sup>	Class A Common Stock <sup>(a)</sup>		
Class A Common Stock <sup>(a)</sup>	Class A Common Stock <sup>(a)</sup>	3	3
Class B Common Stock <sup>(b)</sup>	Class B Common Stock <sup>(b)</sup>	2	2
Additional paid-in capital	Additional paid-in capital	7,991	8,253
Retained earnings	Retained earnings	2,539	2,269
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(151)	(149)
Total Fox Corporation stockholders' equity	Total Fox Corporation stockholders' equity	10,384	10,378
Noncontrolling interests	Noncontrolling interests	67	67
Total equity	Total equity	10,451	10,445
Total liabilities and equity	Total liabilities and equity	\$ 21,649	\$21,866

(a) **Class A Common Stock**, \$0.01 par value per share, 2,000,000,000 shares authorized, 248,778,737 240,828,814 shares and 262,899,364 shares issued and outstanding at par as of September 30, 2023 December 31, 2023 and June 30, 2023, respectively.

(b) **Class B Common Stock**, \$0.01 par value per share, 1,000,000,000 shares authorized, 235,581,025 shares and 235,581,025 shares issued and outstanding at par as of September 30, 2023 December 31, 2023 and June 30, 2023, respectively.

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

**FOX CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(IN MILLIONS)**

		For the three months ended September 30,	
		2023	2022
		For the six months ended December 31,	
		2023	2022
		For the six months ended December 31,	
		2023	2022
<b>OPERATING ACTIVITIES</b>	<b>OPERATING ACTIVITIES</b>		
Net income	Net income	\$ 415	\$ 613
<b>Adjustments to reconcile net income to cash provided by operating activities</b>			
Net income			
Net income			

<b>Adjustments to reconcile net income to cash used in operating activities</b>			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	96	99
Amortization of cable distribution investments	Amortization of cable distribution investments	4	4
Equity-based compensation	Equity-based compensation	24	7
Other, net	Other, net	166	76
Deferred income taxes	Deferred income taxes	47	104
<b>Change in operating assets and liabilities, net of acquisitions and dispositions</b>			
Receivables and other assets			
Receivables and other assets	Receivables and other assets	(284)	(260)
Receivables and other assets			
Receivables and other assets			
Inventories net of programming payable	Inventories net of programming payable	(253)	(333)
Accounts payable and accrued expenses	Accounts payable and accrued expenses	(187)	(127)
Other changes, net	Other changes, net	(27)	87
Net cash provided by operating activities		1	270
Net cash used in operating activities			
<b>INVESTING ACTIVITIES</b>			
<b>INVESTING ACTIVITIES</b>			
Property, plant and equipment			
Property, plant and equipment			
Property, plant and equipment	Property, plant and equipment	(71)	(74)
Purchase of investments	Purchase of investments	—	(31)



Other investing activities, net	Other investing activities, net	13	(13)
Net cash used in investing activities	Net cash used in investing activities	(58)	(118)
<b>FINANCING ACTIVITIES</b>	<b>FINANCING ACTIVITIES</b>		
Borrowings	Borrowings		
Borrowings	Borrowings		
Borrowings	Borrowings		
Repurchase of shares	Repurchase of shares	(250)	(250)
Dividends paid and distributions	Dividends paid and distributions	(135)	(147)
Sale of subsidiary noncontrolling interest	Sale of subsidiary noncontrolling interest	—	25
Other financing activities, net	Other financing activities, net	(1)	(30)
Net cash used in financing activities		(386)	(402)
Net cash provided by (used in) financing activities			
Net decrease in cash and cash equivalents	Net decrease in cash and cash equivalents	(443)	(250)
Cash and cash equivalents, beginning of year	Cash and cash equivalents, beginning of year	4,272	5,200
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$3,829	\$4,950

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

**FOX CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF EQUITY**  
**(IN MILLIONS)**

	Class A								Class B								Class A		Class B											
	Common Stock				Additional				Accumulated				Total Fox				Noncontrolling		Total		Additional		Retained		Accumulated		Total Fox		Noncontrolling	
	Paid-in				Retained				Other				Corporation				Interests(a)		Equity		Capital		Earnings		Other		Corporation		Stockholders'	
	Shares				Earnings				Comprehensive				Stockholders'												Loss		Equity		Equity	
	Shares																													
Balance, September 30, 2023																														
Balance, September 30, 2023																														
Balance, September 30, 2023																														
Net income																														

Other comprehensive income												
						Additional		Accumulated		Total Fox Corporation		
		Common Stock		Common Stock		Paid-in	Retained	Other	Stockholders'	Noncontrolling	Total	
		Shares	Amount	Shares	Amount	Capital	Earnings	Comprehensive Loss	Equity	Interests <sup>(a)</sup>	Equity	
Shares repurchased												
Shares repurchased												
Shares repurchased												
Other												
Balance,												
December 31,												
2023												
Balance,												
September 30,												
2022												
Net income												
Other comprehensive income												
Shares repurchased												
Other												
Balance,												
December 31,												
2022												
Balance, June 30, 2023	Balance, June 30, 2023	263	\$ 3	235	\$ 2	\$ 8,253	\$ 2,269	\$ (149)	\$ 10,378	\$ 67	\$ 10,445	
Net income	Net income	—	—	—	—	—	407	—	407	8	415	
Other comprehensive loss		—	—	—	—	—	—	(2)	(2)	—	(2)	
Other comprehensive income												
Dividends	Dividends	—	—	—	—	—	(127)	—	(127)	—	(127)	
Shares repurchased	Shares repurchased	(15)	—	—	—	(258)	6	—	(252)	—	(252)	
Other	Other	1	—	—	—	(4)	(16)	—	(20)	(8)	(28)	
Balance, September 30, 2023		249	\$ 3	235	\$ 2	\$ 7,991	\$ 2,539	\$ (151)	\$ 10,384	\$ 67	\$ 10,451	
Balance,												
December 31,												
2023												
Balance, June 30, 2022	Balance, June 30, 2022	308	\$ 3	243	\$ 3	\$ 9,098	\$ 2,461	\$ (226)	\$ 11,339	\$ 36	\$ 11,375	
Net income	Net income	—	—	—	—	—	605	—	605	13	618	
Other comprehensive loss		—	—	—	—	—	—	(2)	(2)	—	(2)	
Other comprehensive income												
Dividends	Dividends	—	—	—	—	—	(137)	—	(137)	—	(137)	
Shares repurchased	Shares repurchased	(5)	—	(3)	—	(124)	(126)	—	(250)	—	(250)	
Other	Other	—	—	1	(1)	(25)	(8)	—	(34)	15	(19)	
Balance, September 30, 2022		303	\$ 3	241	\$ 2	\$ 8,949	\$ 2,795	\$ (228)	\$ 11,521	\$ 64	\$ 11,585	

Balance,  
December 31,  
2022

(a) Excludes Redeemable noncontrolling interests which are reflected in temporary equity (See Note 4—Fair Value under the heading “Redeemable Noncontrolling Interests”).

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

FOX CORPORATION  
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Fox Corporation (“FOX” or the “Company”) is a news, sports and entertainment company, which manages and reports its businesses in the following segments: Cable Network Programming, Television and Other, Corporate and Eliminations.

The accompanying Unaudited Consolidated Financial Statements of FOX have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation have been reflected in these Unaudited Consolidated Financial Statements. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2024.

The preparation of the Company’s Unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the Unaudited Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future, actual results may differ from those estimates.

These interim Unaudited Consolidated Financial Statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2023 as filed with the Securities and Exchange Commission on August 11, 2023 (the “2023 Form 10-K”).

All significant intercompany transactions and accounts within the Company’s consolidated businesses have been eliminated. Investments in and advances to entities or joint ventures in which the Company has significant influence, but less than a controlling financial interest, are accounted for using the equity method. Significant influence generally exists when the Company owns an interest between 20% and 50%. Equity securities in which the Company has no significant influence (generally less than a 20% ownership interest) with readily determinable fair values are accounted for at fair value based on quoted market prices. Equity securities without readily determinable fair values are accounted for either at fair value or using the measurement alternative method which is at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. All gains and losses on investments in equity securities are recognized in the Unaudited Consolidated Statements of Operations.

The Company’s fiscal year ends on June 30 (“fiscal”) of each year. Certain fiscal 2023 amounts have been reclassified to conform to the fiscal 2024 presentation.

The unaudited and audited consolidated financial statements are referred to as the “Financial Statements” herein. The unaudited consolidated statements of operations are referred to as the “Statements of Operations” herein. The unaudited and audited consolidated balance sheets are referred to as the “Balance Sheets” herein.

NOTE 2. ACQUISITIONS, DISPOSALS AND OTHER TRANSACTIONS

The Company’s acquisitions support the Company’s strategy to strengthen its core brands, grow its digital businesses and selectively enhance production capabilities for its digital and linear platforms. During the **three six** months ended **September 30, 2023** **December 31, 2023** and 2022, the Company made no acquisitions.

On January 12, 2024, the United Football League (the “UFL”) was launched as a professional spring football league that combines the legacy operations of the United States Football League (the “USFL”), a consolidated subsidiary of FOX, and XFL, a third-party company. In connection with the launch of the UFL, the Company contributed USFL assets into the UFL, a newly formed joint venture with XFL.

FOX CORPORATION  
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. INVENTORIES, NET

The Company’s inventories were comprised of the following:

	As of September 30, 2023	As of June 30, 2023

		(in millions)	
		As of December 31, 2023	As of December 31, 2023
		As of June 30, 2023	
		(in millions)	
Licensed programming, including prepaid sports rights	Licensed programming, including prepaid sports rights	\$ 959	\$ 720
Owned programming	Owned programming	529	465
Total inventories, net	Total inventories, net	1,488	1,185
Less: current portion of inventories, net	Less: current portion of inventories, net	(751)	(543)
Total non-current inventories, net	Total non-current inventories, net	\$ 737	\$ 642
Owned programming	Owned programming		
Owned programming	Owned programming		
Released	Released		
Released	Released		
Released	Released	\$ 219	\$ 256
In-process or other	In-process or other	310	209
Total	Total	\$ 529	\$ 465

The following table presents the aggregate amortization expense related to Inventories, net included in Operating expenses in the Statements of Operations:

	For the three months ended September 30,	
	2023	2022
	(in millions)	
Total amortization expense	\$ 995	\$ 854

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Total amortization expense	\$ 2,467	\$ 2,566	\$ 3,462	\$ 3,420

#### NOTE 4. FAIR VALUE

Fair value measurements are required to be disclosed using a three-tiered fair value hierarchy which distinguishes market participant assumptions into the following categories: (i) inputs that are quoted prices in active markets ("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) inputs that require the entity to use its own assumptions about market participant assumptions ("Level 3").

The following tables present information about financial assets and redeemable noncontrolling interests carried at fair value on a recurring basis:

Fair value measurements
As of September 30, 2023

		Level 1		Level 2		Level 3	
Total		1	2	Level 3			
		(in millions)					
Fair value measurements							
As of December 31, 2023							
As of December 31, 2023							
As of December 31, 2023							
Total							
Total							
Total							
(in millions)							
(in millions)							
(in millions)							
Investments in equity securities							
Investments in equity securities							
Investments in equity securities	Investments in equity securities	(a)					
		\$727	\$727	\$—	\$—	(b)	
Redeemable noncontrolling interests	Redeemable noncontrolling interests	(228)	—	—	(228)		
Redeemable noncontrolling interests							
Redeemable noncontrolling interests		(b)					
		(243)	—	—	(243)		
Total	Total	\$499	\$727	\$—	\$(228)		

		For the three months ended September 30,			
		2023	2022		
		(in millions)			
	For the three months ended December 31,	For the three months ended December 31,		For the six months ended December 31,	
	2023	2023	2022	2023	2022
		(in millions)		(in millions)	
Beginning of period	Beginning of period	\$(213)	\$(188)		
Net loss	Net loss	—	5		
Accretion and other	Accretion and other	(15)	(10)		
End of period	End of period	\$(228)	\$(193)		

The put right held by the Credible minority shareholder will become exercisable in fiscal 2025. The put right held by the entertainment production company's minority shareholder will become exercisable in fiscal 2027.

## FOX CORPORATION

### NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

#### Financial Instruments

The carrying value of the Company's financial instruments exclusive of borrowings, such as cash and cash equivalents, receivables, payables and investments accounted for using the measurement alternative method, approximates fair value.

		As of September 30, 2023	As of June 30, 2023
		(in millions)	
	As of December 31, 2023	As of December 31, 2023	As of June 30, 2023
	(in millions)		(in millions)
<b>Borrowings</b>	<b>Borrowings</b>		
Fair value	Fair value	\$ 6,604	\$6,895
Fair value			
Fair value			
Carrying value	Carrying value	<u>\$ 7,212</u>	<u>\$7,210</u>

Fair value is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market (a Level 1 measurement).

#### Concentrations of Credit Risk

Cash and cash equivalents are maintained with several 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.

Generally, the Company does not require collateral to secure receivables. As of **September 30, 2023** **December 31, 2023**, the Company had no individual customers that accounted for 10% or more of the Company's receivables. As of June 30, 2023, the Company had one customer that accounted for approximately 11% of the Company's receivables.

#### NOTE 5. BORROWINGS

Borrowings include senior notes (See Note 9—Borrowings in the 2023 Form 10-K under the heading "Public Debt – Senior Notes Issued") **of which \$1.25 billion of 4.030% senior notes are due in January 2024.** In October 2023, the Company issued \$1.25 billion of 6.500% senior notes due 2033. In addition, the Company is party to a credit agreement providing a \$1.0 billion unsecured revolving credit facility with a sub-limit of \$150 million available for the issuance of letters of credit and a maturity date of June 2028 (See Note 9—Borrowings in the 2023 Form 10-K under the heading "Revolving Credit Agreement"). As of **September 30, 2023** **December 31, 2023**, there were no borrowings outstanding under the revolving credit agreement. **Subsequent to December 31, 2023, \$1.25 billion of 4.030% senior notes due in January 2024 matured and were repaid in full.**

NOTE 6. STOCKHOLDERS' EQUITY

Stock Repurchase Program

The Company's Board of Directors (the "Board") has authorized a stock repurchase program under which the Company can repurchase \$7 billion of Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock"), and Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock"). The program has no time limit and may be modified, suspended or discontinued at any time.

In connection with the stock repurchase program, the Company entered into an accelerated share repurchase ("ASR") agreement in February 2023, under which the Company paid a third-party financial institution \$1 billion and received an initial delivery of approximately 22.5 million shares of Class A Common Stock, representing 80% of the shares expected to be repurchased under the ASR agreement, at a price of \$35.54 per share, which was the Nasdaq Global Select Market ("Nasdaq") closing share price of the Class A Common Stock on February 8, 2023. Upon settlement of the ASR agreement in August 2023, the Company received a final delivery of approximately 7.8 million shares of Class A Common Stock. The final number of shares purchased under the ASR agreement was determined using a price of \$33.03 per share (the volume-

FOX CORPORATION  
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

weighted shares purchased under the ASR agreement was determined using a price of \$33.03 per share (the volume-weighted average market price of the Class A Common Stock on Nasdaq during the term of the ASR agreement less a discount). The Company accounted for the ASR agreement as two separate transactions. The initial delivery of Class A Common Stock was accounted for as a treasury stock transaction recorded on the acquisition date. The final settlement of Class A Common Stock was accounted for as a forward contract indexed to the Class A Common Stock and qualified as an equity transaction.

In total, the Company repurchased approximately 15.4 24 million shares of Class A Common Stock for approximately \$250 \$500 million during the three six months ended September 30, 2023 December 31, 2023.

Repurchased shares are retired and reduce the number of shares issued and outstanding. The Company allocates the amount of the repurchase price over par value between additional paid-in capital and retained earnings.

As of September 30, 2023 December 31, 2023, the Company's remaining stock repurchase authorization was approximately \$2.15 billion \$1.9 billion. Subsequent to September 30, 2023 December 31, 2023, the Company repurchased approximately 1.6 million shares of Class A Common Stock for approximately \$50 million.

Dividends

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

	For the three months ended September 30,			
	2023		2022	
Cash dividend per share	\$	0.26	\$	0.25

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
Cash dividend per share	\$	—	\$	0.26
				0.25

The Subsequent to December 31, 2023 the Company declared a semi-annual dividend of \$0.26 per share on both the Class A Common Stock and the Class B Common Stock during the three months ended September 30, 2023, which was paid Stock. The dividend declared is payable on September 27, 2023 March 26, 2024 with a record date for determining dividend entitlements of March 6, 2024.

NOTE 7. EQUITY-BASED COMPENSATION

The Company has equity-based compensation plans, including the Fox Corporation 2019 Shareholder Alignment Plan (See Note 12—Equity-Based Compensation in the 2023 Form 10-K).

The following table summarizes the Company's equity-based compensation:

	For the three months ended September 30,			For the three months ended December 31,			For the six months ended December 31,	
	2023	2022		2023	2022		2023	2022
	(in millions)							

	2023	2023	2022	2023	2022
	(in millions)			(in millions)	
Equity-based compensation	Equity-based compensation	\$24	\$ 7		
Intrinsic value of all settled equity-based awards	Intrinsic value of all settled equity-based awards	\$65	\$76		
Tax benefit on settled equity-based awards	Tax benefit on settled equity-based awards	\$10	\$14		

The Company's equity-based awards are settled in Class A Common Stock. As of September 30, 2023 December 31, 2023, the Company's total estimated compensation cost, not yet recognized, related to non-vested equity awards held by the Company's employees was approximately \$150 million \$125 million and is expected to be recognized over a weighted average period between one and two years.

As of September 30, 2023 December 31, 2023 and 2022, the Company had approximately 5 million and 6 million stock options outstanding, respectively, outstanding. The computation of diluted earnings per share did not include stock options outstanding during each period

## FOX CORPORATION

### NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

outstanding during each period presented if their inclusion would have been antidilutive, and, for those shares that are contingently issuable, all necessary conditions have not been satisfied for the periods presented.

#### Awards Vested and Granted

##### Restricted Stock Units

During the three six months ended September 30, 2023 December 31, 2023 and 2022, restricted stock units ("RSUs") with a value of approximately \$1.7 million \$1.9 million and \$1.5 million vested, respectively, and RSUs with a value of approximately \$1.8 million and \$2.0 million were granted in each period respectively. These RSUs generally vest in equal annual installments over a three-year period subject to participants' continued employment with the Company.

##### Performance-Based Stock Options

During the three six months ended September 30, 2023 December 31, 2023 and 2022, the Company granted approximately 4 million performance-based stock options, in each period, which will vest in full at the end of a three-year performance period if the market condition is met, and have a term of seven years thereafter.

## NOTE 8. 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 total firm commitments and future debt payments as of September 30, 2023 December 31, 2023 and June 30, 2023 were approximately \$38 billion and \$39 billion, respectively. The decrease from June 30, 2023 was primarily due to sports programming rights payments, payments, partially offset by the issuance of \$1.25 billion of senior notes in October 2023 (See Note 5—Borrowings).

### Contingencies

The Company establishes an accrued liability for legal claims and indemnification claims when the Company 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. Any fees, expenses, fines, penalties, judgments or settlements which might be incurred by the Company in connection with the various proceedings could affect the Company's results of operations and financial condition. For the contingencies disclosed below for which there is at least a reasonable possibility that a loss may be incurred, other than the accrual provided, the Company was unable to estimate the amount of loss or range of loss.

### FOX News

The Company's FOX News business and certain of its current and former employees have been subject to allegations of sexual harassment and discrimination on the basis of sex and race. The Company has resolved many of these claims and is contesting other claims in litigation. The Company has also received regulatory and investigative inquiries relating to these matters. To date, none of the amounts paid in settlements or reserved for pending or future claims is material, individually or in the aggregate, to the Company. The amount of additional liability, if any, that may result from these or related matters cannot be estimated at this time. However, the Company does not currently anticipate that the ultimate resolution of any such pending matters will have a material adverse effect on its business, financial condition, results of operations or cash flows.

### U.K. Newspaper Matters Indemnity



In connection with the separation of Twenty-First Century Fox, Inc. ("21CF") and News Corporation in June 2013 (the "21CF News Corporation Separation"), 21CF agreed to indemnify News Corporation, on an after-tax basis, for payments made after the 21CF News Corporation Separation arising out of civil claims and investigations relating to phone hacking, illegal data access and inappropriate payments to public officials that occurred at subsidiaries of News Corporation before the 21CF News Corporation Separation, as well as legal

## FOX CORPORATION NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

occurred at subsidiaries of News Corporation before the 21CF News Corporation Separation, as well as legal and professional fees and expenses paid in connection with the related criminal matters, other than fees, expenses and costs relating to employees who are not (i) directors, officers or certain designated employees or (ii) with respect to civil matters, co-defendants with News Corporation (the "U.K. Newspaper Matters Indemnity"). In accordance with the Separation Agreement (as defined in Note 1—Description of Business and Basis of Presentation in the 2023 Form 10-K under the heading "The Transaction"), the Company assumed certain costs and liabilities related to the U.K. Newspaper Matters Indemnity. The liability recorded in the Balance Sheets related to the indemnity was approximately \$115 million as of June 30, 2023 and approximately \$100 million \$90 million as of September 30, 2023 December 31, 2023.

### Defamation and Disparagement Claims

From time to time, the Company and its news businesses, including FOX News Media and the FOX Television Stations, and their employees are subject to lawsuits alleging defamation or disparagement. These include lawsuits filed by Smartmatic USA Corp. and certain of its affiliates (collectively, "Smartmatic") in February 2021 seeking \$2.7 billion in damages and Dominion Voting Systems, Inc. and certain of its affiliates (collectively, "Dominion") in March 2021 seeking \$1.6 billion in damages. On March 31, 2023, the court in the Dominion case issued its rulings on summary judgment motions that were unfavorable to the Company. Following these rulings, on April 18, 2023, the Company and its subsidiary, Fox News Network, LLC, entered into a Release and Settlement Agreement with Dominion pursuant to which the parties agreed to resolve the lawsuits among them. The Company paid an aggregate of approximately \$800 million to settle this and a related lawsuit in April 2023.

The Company continues to believe the Smartmatic and other pending lawsuits alleging defamation or disparagement are without merit and intends to defend against them vigorously, including through any appeals. Discovery in the Smartmatic case, including depositions remains ongoing, and expert discovery, remains ongoing, and summary judgment and other key motions will follow. At this time, a trial in the Smartmatic lawsuit is not expected to commence until 2025. The Company is unable to predict the final outcome of these matters and has determined that a loss in the Smartmatic case is neither probable nor reasonably estimable. There can be no assurance that the ultimate resolution of these pending matters will not have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

On April 11, 2023 and April 20, 2023, stockholders of the Company filed derivative lawsuits in the Delaware Court of Chancery against certain directors of the Company under the captions *Schwarz v. Murdoch et al., C.A. No. 2023-0418 (Del. Ch.)* and *Greenberg et al. v. Murdoch et al., C.A. No. 2023-0440 (Del. Ch.)*. The Delaware Court of Chancery consolidated the lawsuits into one matter captioned *In re Fox Corporation Deriv. Litig., C.A. No. 2023-0418 (Del.Ch.)*. Two additional derivative lawsuits were subsequently filed by the Company's stockholders in the same court on September 12, 2023 against certain directors and officers of the Company and are part of the consolidated lawsuit. Each of the lawsuits names the Company as a nominal defendant. The complaints allege that certain directors and officers, as applicable, breached their fiduciary duties by allowing the Company's news channel to air allegations regarding election fraud in connection with the 2020 U.S. Presidential election, which resulted in significant defamation litigation. The plaintiffs seek orders awarding damages in favor of the Company; directing the Company to reform and improve its policies and procedures; and awarding the plaintiffs attorneys' fees and costs. The Company intends to vigorously contest the lawsuit.

### Other

The Company's operations are subject to tax primarily in various domestic jurisdictions and as a matter of course, the Company is regularly audited by federal and state tax authorities. The Company believes it has appropriately accrued for the expected outcome of all pending tax matters and does not currently anticipate that the ultimate resolution of pending tax matters will have a material adverse effect on its consolidated financial condition, future results of operations or liquidity. Each member of the 21CF consolidated group, which includes 21CF, the Company (prior to the Transaction (as defined in Note 1—Description of Business and Basis of Presentation in the 2023 Form 10-K under the heading "The Transaction")) and 21CF's other subsidiaries, is jointly and severally liable for the U.S. federal income and, in certain jurisdictions, state tax liabilities of each

## FOX CORPORATION NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

other member of the consolidated group. Consequently, the Company could be liable in the event any such

## FOX CORPORATION NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

liability is incurred, and not discharged, by any other member of the 21CF consolidated group. The tax matters agreement entered into in connection with the Separation (as defined in Note 1—Description of Business and Basis of Presentation in the 2023 Form 10-K under the heading "The Transaction") requires 21CF and/or The Walt Disney Company to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the Internal Revenue Service in amounts that the Company cannot quantify.

## NOTE 9. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company participates in and/or sponsors various pension, savings and postretirement benefit plans. Pension plans and postretirement benefit plans are closed to new participants with the exception of a small group covered by collective bargaining agreements. The net periodic benefit cost was \$13 million \$14 million and \$16 million for the three months ended September 30, 2023 December 31, 2023 and 2022, respectively, and \$27 million and \$32 million for the six months ended December 31, 2023 and 2022, respectively.

## NOTE 10. SEGMENT INFORMATION

The Company is a news, sports and entertainment company, which manages and reports its businesses in the following segments:

- **Cable Network Programming**, which produces and licenses news and sports content distributed through traditional cable television systems, direct broadcast satellite operators and telecommunication companies, virtual multi-channel video programming distributors and other digital platforms, primarily in the U.S.
- **Television**, which produces, acquires, markets and distributes programming through the FOX broadcast network, advertising supported video-on-demand service Tubi, 29 full power broadcast television stations, including 11 duopolies, and other digital platforms, primarily in the U.S. Eighteen of the broadcast television stations are affiliated with the FOX Network, 10 are affiliated with MyNetworkTV and one is an independent station. The segment also includes various production companies that produce content for the Company and third parties.
- **Other, Corporate and Eliminations**, which principally consists of the FOX Studio Lot, Credible, corporate overhead costs and intracompany eliminations. The FOX Studio Lot, located in Los Angeles, California, provides television and film production services along with office space, studio operation services and includes all operations of the facility. Credible is a U.S. consumer finance marketplace.

The Company's operating segments have been determined in accordance with the Company's internal management structure, which is organized based on operating activities. The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating income before depreciation and amortization, or Segment EBITDA. Due to the integrated nature of these operating segments, estimates and judgments are made in allocating certain assets, revenues and expenses.

Segment EBITDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Segment EBITDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, net, Other, net and Income tax expense. Management believes that Segment EBITDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources to the Company's businesses.

## FOX CORPORATION NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following tables set forth the Company's Revenues and Segment EBITDA for the three and six months ended September 30, 2023 December 31, 2023 and 2022:

		For the three months ended September 30,		For the three months ended December 31,		For the six months ended December 31,	
		2023	2022	2023	2022	2023	2022
		(in millions)				(in millions)	
<b>Revenues</b>	<b>Revenues</b>						
Cable Network Programming	Cable Network Programming	\$1,387	\$1,431				
	Cable Network Programming						
Television	Television	1,780	1,714				
Other, Corporate and Eliminations	Other, Corporate and Eliminations	40	47				
<b>Total revenues</b>	<b>Total revenues</b>	<b>\$3,207</b>	<b>\$3,192</b>				
<b>Segment EBITDA</b>	<b>Segment EBITDA</b>						
	Cable Network Programming						
	Cable Network Programming						
Cable Network Programming	Cable Network Programming	\$ 607	\$ 742				

Television	Television	351	409
Other, Corporate and Eliminations	Other, Corporate and Eliminations	(89)	(59)
Amortization of cable distribution investments	Amortization of cable distribution investments	(4)	(4)
Depreciation and amortization	Depreciation and amortization	(96)	(99)
Interest expense, net	Interest expense, net	(42)	(68)
Other, net	Other, net	(166)	(76)
Income before income tax expense	Income before income tax expense	561	845
Income tax expense	Income tax expense	(146)	(232)
Net income	Net income	415	613
Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests	(8)	(8)
Net income attributable to Fox Corporation stockholders	Net income attributable to Fox Corporation stockholders	\$ 407	\$ 605

#### Revenues by Segment by Component

		For the three months ended September 30,		For the three months ended December 31,		For the six months ended December 31,			
		2023	2022	2023	2022	2023			2022
		(in millions)		(in millions)					
Cable Network Programming	Cable Network Programming								
Affiliate fee	Affiliate fee	\$1,005	\$1,029						
Affiliate fee									
Affiliate fee									
Advertising	Advertising	290	316						
Other	Other	92	86						
Total Cable Network Programming revenues	Total Cable Network Programming revenues	1,387	1,431						
Television	Television								
Advertising									
Advertising									
Advertising	Advertising	910	905						
Affiliate fee	Affiliate fee	735	682						
Other	Other	135	127						



Other, Corporate and Eliminations	Other, Corporate and Eliminations	9,843	10,371
Investments	Investments	877	1,034
Total assets	Total assets	<u>\$21,649</u>	<u>\$21,866</u>

#### NOTE 11. ADDITIONAL FINANCIAL INFORMATION

##### Interest Expense, net

The following table sets forth the components of Interest expense, net included in the Statements of Operations:

		For the three months ended September 30,			
		2023	2022		
		(in millions)			
For the three months ended December 31,		For the three months ended December 31,		For the six months ended December 31,	
2023		2023	2022	2023	2022
(in millions)		(in millions)			
Interest expense	Interest expense	\$(91)	\$(87)		
Interest income	Interest income	49	19		
Total interest expense, net	Total interest expense, net	\$(42)	\$(68)		

#### FOX CORPORATION NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

##### Other, net

The following table sets forth the components of Other, net included in the Statements of Operations:

		For the three months ended September 30,			
		2023	2022		
		(in millions)			
For the three months ended December 31,		For the three months ended December 31,		For the six months ended December 31,	
2023		2023	2022	2023	2022
(in millions)		(in millions)			
Net (losses) gains on investments in equity securities(a)	Net (losses) gains on investments in equity securities(a)	\$(171)	\$ 21		
U.K. Newspaper Matters Indemnity(b)	U.K. Newspaper Matters Indemnity(b)	(5)	(61)		
Other	Other	10	(36)		

Total other, net	Total other, net	\$(166)	\$(76)
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- (a) Net (losses) gains on investments in equity securities includes the (losses) gains related to the change in fair value of the Company's investment in Flutter (See Note 4—Fair Value), and for the three and six months ended December 31, 2023, the losses related to the Company's investment in a live streaming mobile platform. As a result of an additional round of financing at a lower valuation, a write-down was recognized for this investment which is accounted for using the measurement alternative method.
- (b) See Note 8—Commitments and Contingencies under the headings "U.K. Newspaper Matters Indemnity." The decrease for the three six months ended September 30, 2023 December 31, 2023, as compared to the corresponding period of fiscal 2023, was attributable to an increase in the number of civil claims submitted in fiscal 2023 in advance of the September 30, 2022 cutoff date set by the judge for this phase of the litigation.

#### Other Non-Current Assets

The following table sets forth the components of Other non-current assets included in the Balance Sheets:

		As of September 30, 2023	As of June 30, 2023	As of December 31, 2023	As of June 30, 2023
		(in millions)		(in millions)	
Operating lease assets	Operating lease assets	\$ 931	\$ 947		
Investments(a)	Investments(a)	877	1,034		
Inventories, net	Inventories, net	737	642		
Grantor Trust	Grantor Trust	262	276		
Other	Other	249	269		
Total other non-current assets	Total other non-current assets	\$ 3,056	\$3,168		

- (a) Includes investments accounted for at fair value on a recurring basis of \$727 million \$785 million and \$884 million as of September 30, 2023 December 31, 2023 and June 30, 2023, respectively (See Note 4—Fair Value).

### FOX CORPORATION NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

#### Accounts Payable, Accrued Expenses and Other Current Liabilities

The following table sets forth the components of Accounts payable, accrued expenses and other current liabilities included in the Balance Sheets:

		As of September 30, 2023	As of June 30, 2023	As of December 31, 2023	As of June 30, 2023
		(in millions)		(in millions)	
Programming payable	Programming payable	\$ 849	\$ 785		
Accrued expenses	Accrued expenses	812	1,028		
Deferred revenue	Deferred revenue	254	160		
Operating lease liabilities	Operating lease liabilities	70	72		
Other current liabilities	Other current liabilities	354	469		

Total accounts payable, accrued expenses and other current liabilities	Total accounts payable, accrued expenses and other current liabilities	\$ 2,339	\$2,514
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#### Other Liabilities

The following table sets forth the components of Other liabilities included in the Balance Sheets:

		As of September 30, 2023	As of June 30, 2023
		(in millions)	
	As of December 31, 2023	As of December 31, 2023	As of June 30, 2023
	(in millions)		(in millions)
Non-current operating lease liabilities	Non-current operating lease liabilities	\$ 907	\$ 925
Accrued non-current pension/postretirement liabilities	Accrued non-current pension/postretirement liabilities	334	361
Other non-current liabilities	Other non-current liabilities	178	198
Total other liabilities	Total other liabilities	\$ 1,419	\$1,484

#### Future Performance Obligations

As of **September 30, 2023** **December 31, 2023**, approximately **\$5.6 billion** **\$5.8 billion** of revenues are expected to be recognized primarily over the next one to three years. The Company's most significant remaining performance obligations relate to affiliate contracts, sports advertising contracts and content licensing contracts with fixed fees. The amount disclosed does not include (i) revenues related to performance obligations that are part of a contract whose original expected duration is one year or less, (ii) revenues that are in the form of sales- or usage-based royalties and (iii) revenues related to performance obligations for which the Company elects to recognize revenue in the amount it has a right to invoice.

#### Supplemental Information

		For the three months ended September 30,			
		For the six months ended December 31,		For the six months ended December 31,	
		2023	2022	2023	2022
		(in millions)		(in millions)	
Supplemental cash flows information	Supplemental cash flows information				
Cash paid for interest	Cash paid for interest	\$(158)	\$(151)		
Cash paid for interest	Cash paid for interest				
Cash paid for income taxes	Cash paid for income taxes	\$ (2)	\$ (8)		

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Readers should carefully review this document and the other documents filed by Fox Corporation ("FOX" or the "Company") with the Securities and Exchange Commission (the "SEC"). This section should be read together with the unaudited interim consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on

INTRODUCTION

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 and six months ended September 30, 2023 December 31, 2023 and 2022 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 and six months ended September 30, 2023 December 31, 2023 and 2022. This analysis is presented on both a consolidated 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.
- Liquidity and Capital Resources**—This section provides an analysis of the Company's cash flows for the three six months ended September 30, 2023 December 31, 2023 and 2022, as well as a discussion of the Company's outstanding debt and commitments, both firm and contingent, that existed as of September 30, 2023 December 31, 2023. Included in the discussion of outstanding debt is a discussion of the amount of financial capacity available to fund the Company's future commitments and obligations, as well as a discussion of other financing arrangements.
- Caution Concerning Forward-Looking Statements**—This section provides a description of the use of forward-looking information appearing in this Quarterly Report on Form 10-Q, including in Management's Discussion and Analysis of Financial Condition and Results of Operations. Such information is based on management's current expectations about future events which are subject to change and to inherent risks and uncertainties. Refer to Part I., Item 1A. "Risk Factors" in the 2023 Form 10-K, Part II., Item 1A. "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023, as filed with the SEC on November 2, 2023 (the "Q1 2024 Form 10-Q"), and Part II., Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q, for a discussion of the risk factors applicable to the Company.

OVERVIEW OF THE COMPANY'S BUSINESS

The Company is a news, sports and entertainment company, which manages and reports its businesses in the following segments:

- Cable Network Programming**, which produces and licenses news and sports content distributed through traditional cable television systems, direct broadcast satellite operators and telecommunication companies ("traditional MVPDs"), virtual multi-channel video programming distributors ("virtual MVPDs") and other digital platforms, primarily in the U.S.
- Television**, which produces, acquires, markets and distributes programming through the FOX broadcast network, advertising-supported video-on-demand ("AVOD") service Tubi, 29 full power broadcast television stations, including 11 duopolies, and other digital platforms, primarily in the U.S. Eighteen of the broadcast television stations are affiliated with the FOX Network, 10 are affiliated with MyNetworkTV and one is an independent station. The segment also includes various production companies that produce content for the Company and third parties.
- Other, Corporate and Eliminations**, which principally consists of the FOX Studio Lot, Credible Labs Inc. ("Credible"), corporate overhead costs and intracompany eliminations. The FOX Studio Lot, located

in Los Angeles, California, provides television and film production services along with office space, studio operation services and includes all operations of the facility. Credible is a U.S. consumer finance marketplace.

We use the term "MVPDs" to refer collectively to traditional MVPDs and virtual MVPDs.

RESULTS OF OPERATIONS

**Results of Operations**—For the three and six months ended September 30, 2023 December 31, 2023 versus the three and six months ended September 30, 2022 December 31, 2022.

The following table sets forth the Company's operating results for the three and six months ended September 30, 2023 December 31, 2023, as compared to the three and six months ended September 30, 2022 December 31, 2022:

		For the three months ended September 30,				For the three months ended December 31,								For the six months ended	
					%							%			
		2023	2022	Change	Change	2023	2022		Change		Change		2023	2022	
(in millions, except %)	(in millions, except %)	Better/(Worse)				(in millions, except %)					Better/(Worse)				
Revenues	Revenues														
Affiliate fee															
Affiliate fee															
Affiliate fee	Affiliate fee	\$1,740	\$1,711	\$ 29	2 %	\$ 1,787	\$ 1,712	\$ 75	4	4	%	\$3,527			



Advertising	Advertising	1,200	1,220	(20)	(2) %	Advertising	2,002	2,503	2,503	(501)	(501)	(20)	(20) %
Other	Other	267	261	6	2 %	Other	445	390	390	55	55	14	14 %
Total revenues	Total revenues	3,207	3,192	15	— %	Total revenues	4,234	4,605	4,605	(371)	(371)	(8)	(8) %
Operating expenses	Operating expenses	(1,862)	(1,656)	(206)	(12) %	Operating expenses	(3,393)	(3,528)	(3,528)	135	135	4	4 %
Selling, general and administrative	Selling, general and administrative	(480)	(448)	(32)	(7) %	Selling, general and administrative	(495)	(550)	(550)	55	55	10	10 %
Depreciation and amortization	Depreciation and amortization	(96)	(99)	3	3 %	Depreciation and amortization	(97)	(103)	(103)	6	6	6	6 %
Interest expense, net	Interest expense, net	(42)	(68)	26	38 %	Interest expense, net	(72)	(60)	(60)	(12)	(12)	(20)	(20) %
Other, net	Other, net	(166)	(76)	(90)	**	Other, net	(46)	73	73	(119)	(119)	**	**
Income before income tax expense	Income before income tax expense	561	845	(284)	(34) %	Income before income tax expense	131	437	437	(306)	(306)	(70)	(70) %
Income tax expense	Income tax expense	(146)	(232)	86	37 %	Income tax expense	(16)	(116)	(116)	100	100	86	86 %
Net income	Net income	415	613	(198)	(32) %	Net income	115	321	321	(206)	(206)	(64)	(64) %
Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests	(8)	(8)	—	— %	Less: Net income attributable to noncontrolling interests	(6)	(8)	(8)	2	2	25	25 %
Net income attributable to Fox Corporation stockholders	Net income attributable to Fox Corporation stockholders	\$ 407	\$ 605	\$(198)	(33) %	Net income attributable to Fox Corporation stockholders	\$ 109	\$ 313	\$ 313	\$(204)	\$(204)	(65)	(65) %

\*\* not meaningful

## Overview

### For the three months ended December 31, 2023 and 2022

The Company's revenues remained consistent decreased 8% for the three months ended September 30, 2023 December 31, 2023, as compared to the corresponding period of fiscal 2023, as due to lower advertising revenue, partially offset by higher affiliate fee revenue was offset by lower advertising revenue, and other revenues. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber, led by contractual rate increases on existing affiliate agreements and from affiliate agreement renewals, partially offset by a lower average number of subscribers across all networks, subscribers. The decrease in advertising revenue was primarily attributable to the absence of the Fédération Internationale de Football Association ("FIFA") Men's World Cup and lower political advertising revenue at the FOX Television Stations principally due to the absence of the November 2022 U.S. midterm elections. Also contributing to this decrease was lower pricing in the direct response

marketplace, lower ratings and higher preemptions associated with breaking news coverage at FOX News Media, partially offset by continued growth at Tubi. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts, partially offset by lower content revenues at the entertainment production companies principally as a result of industry guild labor disputes.

Operating expenses decreased 4% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to lower entertainment and sports programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the prior year advertiser expenditures period as a result of industry guild labor disputes and the absence of the FIFA Men's World Cup, partially offset by the renewed National Football League ("NFL") contract.

Selling, general and administrative expenses decreased 10% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to lower employee related costs and lower legal costs at FOX News Media.

### For the six months ended December 31, 2023 and 2022

The Company's revenues decreased 5% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising revenue, partially offset by higher affiliate fee and other revenues. The increase in advance affiliate fee revenue was primarily due to higher fees received from television stations



Television	Television	1,780	1,714	66	4 %	Television	2,542	2,934	2,934	(392)		(392)	(13)		(13)%		4,322	
Other, Corporate and Eliminations	Other, Corporate and Eliminations	40	47	(7)	(15) %	Other, Corporate and Eliminations	34	39	39	(5)		(5)	(13)		(13)%		74	
Total revenues	Total revenues	\$3,207	\$3,192	\$ 15	— %	Total revenues	\$4,234	\$ 4,605	\$ 4,605	\$(371)		(8)	(8)		(8) %		\$7,441	\$ 7,441

		For the three months ended September 30,					For the three months ended December 31,					For the six months ended Dec			
		2023	2022	Change	%		2023	2022	Change	%		2023	2022	Change	%
(in millions, except %)	(in millions, except %)				Better/(Worse)	(in millions, except %)				Better/(Worse)					
Segment EBITDA	Segment EBITDA														
Cable Network Programming	Cable Network Programming														
Cable Network Programming	Cable Network Programming	\$607	\$ 742	\$(135)	(18) %		\$ 564	\$ 353	\$ 211	60	60	\$1,171	\$ 213		
Television	Television	351	409	(58)	(14) %	Television	(138)	256	256	(394)	(394)	**	**	213	
Other, Corporate and Eliminations	Other, Corporate and Eliminations	(89)	(59)	(30)	(51) %	Other, Corporate and Eliminations	(76)	(78)	(78)	2	2	3	(165)		
Adjusted EBITDA <sub>(a)</sub>	Adjusted EBITDA <sub>(a)</sub>	\$869	\$1,092	\$(223)	(20) %	Adjusted EBITDA <sub>(a)</sub>	\$350	\$531	\$(181)	(34)	(34)	\$1,219	\$ 213		

\*\* not meaningful

(a) For a discussion of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA, see "Non-GAAP Financial Measures" below.

**Cable Network Programming** 43% (41% and 45% 39% of the Company's revenues for the first three six months of fiscal 2024 and 2023, respectively)

		For the three months ended September 30,					For the three months ended December 31,					For the six months ended			
		2023	2022	Change	%		2023	2022	Change	%		2023	2022	Change	%
(in millions, except %)	(in millions, except %)				Better/(Worse)	(in millions, except %)				Better/(Worse)					
Revenues	Revenues														
Affiliate fee	Affiliate fee														
Affiliate fee	Affiliate fee	\$1,005	\$1,029	\$ (24)	(2) %		\$ 1,031	\$ 1,026	\$ 5	—	—	\$2,036	\$ 2,036		
Advertising	Advertising	290	316	(26)	(8) %	Advertising	348	451	451	(103)	(103)	(23)	(23) %	6	
Other	Other	92	86	6	7 %	Other	279	155	155	124	124	80	80 %	3	
Total revenues	Total revenues	1,387	1,431	(44)	(3) %	Total revenues	1,658	1,632	1,632	26	26	2	2 %	3,0	
Operating expenses	Operating expenses	(649)	(564)	(85)	(15) %	Operating expenses	(942)	(1,097)	(1,097)	155	155	14	14 %	(1,5	
Selling, general and administrative	Selling, general and administrative	(135)	(129)	(6)	(5) %	Selling, general and administrative	(156)	(186)	(186)	30	30	16	16 %	(2	

Amortization of cable distribution investments	Amortization of cable distribution investments	4	4	—	—	%	Amortization of cable distribution investments	4	4	4	—	—	—	—	%
Segment EBITDA	Segment EBITDA	\$ 607	\$ 742	\$(135)	(18)	%	Segment EBITDA	\$ 564	\$	\$ 353	\$	\$211	60	60	%
															\$1,171

#### For the three months ended December 31, 2023 and 2022

Revenues at the Cable Network Programming segment increased 2% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to higher affiliate fee and other revenues, partially offset by lower advertising revenue. Affiliate fee revenue increased as higher average rates per subscriber were partially offset by a decrease in the average number of subscribers. The decrease in advertising revenue was primarily due to lower pricing in the direct response marketplace, lower ratings and higher preemptions associated with breaking news coverage at FOX News Media. Also contributing to this decrease was the absence of the FIFA Men's *World Cup* at the national sports networks in the current year. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts and international soccer rights.

Cable Network Programming Segment EBITDA increased 60% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to the revenue increases noted above and lower expenses. Operating expenses decreased primarily due to lower sports programming rights amortization and production costs, led by the absence of the FIFA Men's *World Cup* in the current year, and lower programming and production costs at FOX News Media. Selling, general and administrative expenses decreased primarily due to lower legal costs at FOX News Media.

#### For the six months ended December 31, 2023 and 2022

Revenues at the Cable Network Programming segment decreased 3% 1% for the three six months ended September 30, 2023 December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising and affiliate fee and advertising revenues, partially offset by higher other revenues. The decrease in affiliate fee revenue was primarily due to a decrease in the average number of subscribers partially offset by higher average rates per subscriber, led by contractual rate increases on existing affiliate agreements and from affiliate agreement renewals, subscriber. The decrease in advertising revenue was primarily due to lower pricing in the direct response marketplace and lower ratings at FOX News Media, partially offset by higher pricing in the national marketplace at FOX News Media and Media. Also contributing to this decrease was the absence of the FIFA Men's *World Cup* partially offset by the broadcast of the FIFA Women's *World Cup* at the national sports networks in the current year. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts.

Cable Network Programming Segment EBITDA increased 7% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, as the revenue decreases noted above were more than offset by lower expenses. Operating expenses decreased primarily due to lower sports programming rights amortization led by the absence of the FIFA Men's *World Cup* in the current year, partially offset by the broadcast of the FIFA Women's *World Cup* at the national sports networks during the current year quarter. The increase in other revenues was . Selling, general and administrative expenses decreased primarily due to lower legal costs at FOX News Media.

**Television** (58% and 60% of the timing Company's revenues for the first six months of sports sublicensing revenue fiscal 2024 and 2023, respectively)

(in millions, except %)	For the three months ended December 31,				For the six months ended December 31,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
	Better/(Worse)				Better/(Worse)			
<b>Revenues</b>								
Advertising	\$ 1,654	\$ 2,052	\$(398)	(19)%	\$ 2,564	\$ 2,957	\$(393)	(13)%
Affiliate fee	756	686	70	10 %	1,491	1,368	123	9 %
Other	132	196	(64)	(33)%	267	323	(56)	(17)%
Total revenues	2,542	2,934	(392)	(13)%	4,322	4,648	(326)	(7)%
Operating expenses	(2,440)	(2,415)	(25)	(1)%	(3,638)	(3,486)	(152)	(4)%
Selling, general and administrative	(240)	(263)	23	9 %	(471)	(497)	26	5 %
Segment EBITDA	\$ (138)	\$ 256	\$(394)	**	\$ 213	\$ 665	\$(452)	(68)%

\*\* not meaningful

#### For the three months ended December 31, 2023 and 2022

Revenues at the national sports networks.

Cable Network Programming Segment EBITDA Television segment decreased 18% 13% for the three months ended September 30, 2023 December 31, 2023, as compared to the corresponding period of fiscal 2023, due to the revenue decreases noted above lower advertising and higher expenses. Operating expenses increased primarily due to higher sports programming rights amortization and production costs led other revenues, partially offset by the broadcast of the FIFA Women's *World Cup*.

**Television** (56% and 54% of the Company's revenues for the first three months of fiscal 2024 and 2023, respectively)

(in millions, except %)	For the three months ended September 30,			
	2023	2022	Change	% Change
	Better/(Worse)			
<b>Revenues</b>				
Advertising	\$ 910	\$ 905	\$ 5	1 %
Affiliate fee	735	682	53	8 %
Other	135	127	8	6 %
Total revenues	1,780	1,714	66	4 %
Operating expenses	(1,198)	(1,071)	(127)	(12)%
Selling, general and administrative	(231)	(234)	3	1 %
Segment EBITDA	\$ 351	\$ 409	\$ (58)	(14)%

Revenues at the Television segment increased 4% for the three months ended September 30, 2023, as compared to the corresponding period of fiscal 2023, due to higher advertising, affiliate fee and other revenues, revenue. The increase decrease in advertising revenue was primarily due to the broadcast absence of the FIFA Women's Men's World Cup and continued growth at Tubi, partially offset by lower political advertising revenue at the FOX Television Stations principally due to the absence of prior year advertiser expenditures in advance of the November 2022 U.S. midterm elections, and lower ratings partially offset by continued growth at the FOX Network, Tubi. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber partially offset by a lower average number of subscribers at the Company's owned and operated television stations. The increase decrease in other revenues was primarily due to the timing of participation lower content revenues at FOX's the entertainment production companies, companies principally as a result of industry guild labor disputes.

Television Segment EBITDA decreased 14% \$394 million for the three months ended September 30, 2023 December 31, 2023, as compared to the corresponding period of fiscal 2023, as due to the revenue increases decreases noted above were more than and higher expenses. Operating expenses increased primarily due to higher sports programming rights amortization principally due to the renewed NFL contract, partially offset by the absence of the FIFA Men's World Cup. Also

partially offsetting this increase was lower entertainment programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the prior year period as a result of industry guild labor disputes. Selling, general and administrative expenses decreased primarily due to lower employee related costs.

#### For the six months ended December 31, 2023 and 2022

Revenues at the Television segment decreased 7% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising and other revenues, partially offset by higher affiliate fee revenue. The decrease in advertising revenue was primarily due to lower political advertising revenue at the FOX Television Stations principally due to the absence of the November 2022 U.S. midterm elections, the absence of the FIFA Men's World Cup and lower ratings at the FOX Network, partially offset by continued growth at Tubi and the broadcast of the FIFA Women's World Cup. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber partially offset by a lower average number of subscribers at the Company's owned and operated television stations. The decrease in other revenues was primarily due to lower content revenues at the entertainment production companies principally as a result of industry guild labor disputes.

Television Segment EBITDA decreased 68% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to the revenue decreases noted above and higher expenses. Operating expenses increased primarily due to higher sports programming rights amortization and production costs principally due to the renewed NFL contract and the broadcast of the FIFA Women's World Cup, partially offset by the absence of the FIFA Men's World Cup in the current year. Also partially offsetting this increase was lower entertainment programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the renewed NFL contract, prior year period as a result of industry guild labor disputes. Selling, general and higher administrative expenses associated with FOX's digital investments, decreased primarily due to lower employee related costs.

**Other, Corporate and Eliminations** (1% of the Company's revenues for the first three six months of fiscal 2024 and 2023)

		For the three months ended September 30,					For the three months ended December 31,				For the six months ended December 31,							
		%					%											
		2023	2022	Change	Change		2023	2022	Change	Change	2023		2022		Change			
(in millions, except %)	(in millions, except %)	Better/(Worse)				(in millions, except %)	Better/(Worse)				Better/(Worse)							
Revenues	Revenues	\$ 40	\$ 47	\$ (7)	(15)%	Revenues	\$ 34	\$ 39	\$ (5)	(13)	(13) %	\$ 74	\$ 86	\$ (12)	(14)			
Operating expenses	Operating expenses	(15)	(21)	6	29 %	Operating expenses	(11)	(16)	5	31	31 %	(26)	(37)	(37)	11			
Selling, general and administrative	Selling, general and administrative	(114)	(85)	(29)	(34) %	Selling, general and administrative	(99)	(101)	2	2	2 %	(213)	(186)	(186)	(27)			

[illegible]

Revenues at the Other, Corporate and Eliminations segment for the three and six months ended September 30, 2023, December 31, 2023 and 2022 include revenues generated by Credible and the operation of the FOX Studio Lot for third parties. Operating expenses for the three and six months ended September 30, 2023, December 31, 2023 and 2022 include advertising and promotional expenses at Credible. Selling, general and administrative expenses for the three and six months ended September 30, 2023, December 31, 2023 and 2022 primarily relate to employee costs, professional fees and the costs of operating the FOX Studio Lot. Selling, general and administrative expenses for the six months ended December 31, 2023 increased, as compared to the corresponding period of fiscal 2023, primarily due to higher employee-related employee related costs as a result of the transition and separation of a named executive officer of the Company.

Adjusted EBITDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Adjusted EBITDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, net, Other, net and Income tax expense.

Adjusted EBITDA is considered a non-GAAP financial measure and should be considered in addition to, not as a substitute for, net income, cash flow and other measures of financial performance reported in accordance with U.S. generally accepted accounting principles ("GAAP"). In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment charges, which are significant components in assessing the Company's financial performance. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

		For the three months ended September 30,		For the three months ended December 31,		For the six months ended December 31,			
		2023	2022	2023	2022		2023		2022
	(in millions)	(in millions)							
Net income	Net income	\$415	\$ 613						
Add	Add								
Amortization of cable distribution investments	Amortization of cable distribution investments	4	4						
	Amortization of cable distribution investments								
	Amortization of cable distribution investments								
Depreciation and amortization	Depreciation and amortization	96	99						
Interest expense, net	Interest expense, net	42	68						
Other, net	Other, net	166	76						
Income tax expense	Income tax expense	146	232						
Adjusted EBITDA	Adjusted EBITDA	\$869	\$1,092						



		For the three months ended September 30,		For the three months ended December 31,			For the six months ended December 31,			
		2023	2022	2023	2022		2023		2022	
		(in millions)					(in millions)			
<b>Revenues</b>	<b>Revenues</b>	\$3,207	\$3,192							
Operating expenses	Operating expenses	(1,862)	(1,656)							
Selling, general and administrative	Selling, general and administrative	(480)	(448)							
Amortization of cable distribution investments	Amortization of cable distribution investments	4	4							
Adjusted EBITDA	Adjusted EBITDA	\$ 869	\$1,092							

## LIQUIDITY AND CAPITAL RESOURCES

### Current Financial Condition

The Company has approximately \$3.8\$4.1 billion of cash and cash equivalents as of September 30, 2023 December 31, 2023 and an unused five-year \$1.0 billion unsecured revolving credit facility (See Note 5—Borrowings to the accompanying Financial Statements). The Company also has access to the worldwide capital markets, subject to market conditions. In October 2023, the Company issued \$1.25 billion of senior notes. As of September 30, 2023 December 31, 2023, the Company was in compliance with all of the covenants under the revolving credit facility, and it does not anticipate any noncompliance with such covenants.

The principal uses of cash that affect the Company's liquidity position include the following: the acquisition of rights and related payments for entertainment and sports programming; operational expenditures including production costs; marketing and promotional expenses; expenses related to broadcasting the Company's programming; employee and facility costs; capital expenditures; acquisitions; income taxes, interest and dividend payments; debt repayments; legal settlements; and stock repurchases.

The Company has evaluated, and expects to continue to evaluate, possible acquisitions and dispositions of certain businesses and assets. Such transactions may be material and may involve cash, the Company's securities or the assumption of additional indebtedness.

### Sources and Uses of Cash

Net cash provided by used in operating activities for the three six months ended September 30, 2023 December 31, 2023 and 2022 was as follows (in millions):

For the three months ended September 30,	2023	2022
Net cash provided by operating activities	\$ 1	\$ 270
For the six months ended December 31,	2023	2022
Net cash used in operating activities	\$ (535)	\$ (261)

The decrease increase in net cash provided by used in operating activities during the three six months ended September 30, 2023 December 31, 2023, as compared to the corresponding period of fiscal 2023, was primarily due to lower Segment EBITDA, higher sports rights payments principally due to the renewed contract with the NFL payments associated with the restructuring in the fourth quarter of fiscal 2023 and lower political advertising receipts due to the absence of the November 2022 U.S. midterm elections.

Net cash used in investing activities for the three six months ended September 30, 2023 December 31, 2023 and 2022 was as follows (in millions):

For the three months ended September 30,	2023	2022	
For the six months ended December 31,	For the six months ended December 31,	2023	2022

Net cash used in investing activities	Net cash used in investing activities	\$(58)	\$(118)
---------------------------------------	---------------------------------------	--------	---------

The decrease in net cash used in investing activities during the **three** six months ended **September 30, 2023** **December 31, 2023**, as compared to the corresponding period of fiscal 2023, was primarily due to the absence of investments in equity securities.

Net cash **used in provided by (used in)** financing activities for the **three** six months ended **September 30, 2023** **December 31, 2023** and 2022 was as follows (in millions):

For the three months ended September 30,	2023	2022
Net cash used in financing activities	\$ (386)	\$ (402)

For the six months ended December 31,	2023	2022
Net cash provided by (used in) financing activities	\$ 528	\$ (660)

The **decrease change** in net cash **used in provided by (used in)** financing activities during the **three** six months ended **September 30, 2023** **December 31, 2023**, as compared to the corresponding period of fiscal 2023, was primarily due to **lower dividend payments as a result the October 2023 issuance of fewer shares outstanding.**

**\$1.25 billion of senior notes** (See Note 5—Borrowings to the accompanying Financial Statements).

#### Stock Repurchase Program

See Note 6—Stockholders' Equity to the accompanying Financial Statements under the heading "Stock Repurchase Program."

#### Dividends

**The**Subsequent to December 31, 2023 the Company declared a semi-annual dividend of \$0.26 per share on both the Class A Common Stock and the Class B Common Stock during the three months ended September 30, 2023, which was paid Stock. The dividend declared is payable on **September 27, 2023** **March 26, 2024** with a record date for determining dividend entitlements of **March 6, 2024**.

#### Debt Instruments

Borrowings include senior notes. Subsequent to December 31, 2023, **\$1.25 billion of 4.030% senior notes due in January 2024 matured and were repaid in full** (See Note 5—Borrowings to the accompanying Financial Statements).

#### Ratings of the Senior Notes

The following table summarizes the Company's credit ratings as of **September 30, 2023** **December 31, 2023**:

Rating Agency	Senior Debt	Outlook
Moody's	Baa2	Stable
Standard & Poor's	BBB	Stable

#### Revolving Credit Agreement

The Company has an unused five-year \$1.0 billion unsecured revolving credit facility with a maturity date of June 2028 (See Note 5—Borrowings to the accompanying Financial Statements).

#### Commitments and Contingencies

See Note 8—Commitments and Contingencies to the accompanying Financial Statements.

#### CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical or current fact are "forward-looking statements" for purposes of federal and state securities laws, including any statements regarding (i) future earnings, revenues or other measures of the Company's financial performance; (ii) the Company's plans, strategies and objectives for future operations; (iii) proposed new programming or other offerings; (iv) future economic conditions or performance; and (v) assumptions underlying any of the foregoing. Forward-looking statements may include, among others, the words "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates," "outlook" or any other similar words.

Although the Company's management believes that the expectations reflected in any of the Company's forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the SEC. Important factors that



could cause the Company's actual results, performance and achievements to differ materially from those estimates or projections contained in the Company's forward-looking statements include, but are not limited to, government regulation, economic, strategic, political and social conditions and the following factors:

- evolving technologies and distribution platforms and changes in consumer behavior as consumers seek more control over when, where and how they consume content, and related impacts on advertisers and MVPDs;
- declines in advertising expenditures due to various factors such as the economic prospects of advertisers or the economy, major sports events and election cycles, evolving technologies and distribution platforms and related changes in consumer behavior and shifts in advertisers' expenditures, the evolving market for AVOD advertising campaigns, and audience measurement methodologies' ability to accurately reflect actual viewership levels;
- further declines in the number of subscribers to MVPD services;
- the failure to enter into or renew on favorable terms, or at all, affiliation or carriage agreements or arrangements through which the Company makes its content available for viewing through online video platforms;
- the highly competitive nature of the industry in which the Company's businesses operate;
- the popularity of the Company's content, including special sports events; and the continued popularity of the sports franchises, leagues and teams for which the Company has acquired programming rights;
- the Company's ability to renew programming rights, particularly sports programming rights, on sufficiently favorable terms, or at all;
- damage to the Company's brands or reputation;
- the inability to realize the anticipated benefits of the Company's strategic investments and acquisitions, and the effects of any combination or significant acquisition, disposition or other similar transaction involving the Company;
- the loss of key personnel;
- labor disputes, including **current disputes and** labor disputes involving professional sports leagues whose games or events the Company has the right to broadcast;
- lower than expected valuations associated with the Company's reporting units, indefinite-lived intangible assets, investments or long-lived assets;
- a degradation, failure or misuse of the Company's network and information systems and other technology relied on by the Company that causes a disruption of services or improper disclosure of personal data or other confidential information;
- content piracy and signal theft and the Company's ability to protect its intellectual property rights;
- the failure to comply with laws, regulations, rules, industry standards or contractual obligations relating to privacy and personal data protection;
- changes in tax, federal communications or other laws, regulations, practices or the interpretations thereof;
- the impact of any investigations or fines from governmental authorities, including Federal Communications Commission ("FCC") rules and policies and FCC decisions regarding revocation, renewal or grant of station licenses, waivers and other matters;
- the failure or destruction of satellites or transmitter facilities the Company depends on to distribute its programming;
- unfavorable litigation outcomes or investigation results that require the Company to pay significant amounts or lead to onerous operating procedures;
- changes in GAAP or other applicable accounting standards and policies;
- the Company's ability to secure additional capital on acceptable terms;
- the impact of COVID-19 and other widespread health emergencies or pandemics and measures to contain their spread; and
- the other risks and uncertainties detailed in Part I, Item 1A. **Risk Factors** "Risk Factors" in the 2023 Form **10-K**, **10-K** and Part II, Item 1A. **"Risk Factors" in the Q1 2024 Form 10-Q and this Quarterly Report on Form 10-Q.**

Forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date hereof, and forward-looking statements in documents that are incorporated by reference hereto speak only as of the date of those documents. The Company does not undertake any obligation to update or release any revisions to any forward-looking statement made herein or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or to conform such statements to actual results or changes in our expectations, except as required by law.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the market risks reported in the 2023 Form 10-K.

### ITEM 4. CONTROLS AND PROCEDURES

#### (a) 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 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly 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 that 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.

#### (b) Changes in Internal Control over Financial Reporting

There were no changes 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 **first second** quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II

### ITEM 1. LEGAL PROCEEDINGS

See Note 8—Commitments and Contingencies to the accompanying Unaudited Consolidated Financial Statements of FOX under the heading "Contingencies" for a discussion of the Company's legal proceedings.

### ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors described in the section titled "Risk Factors" in (i) the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023, as filed with the Securities and Exchange Commission (the "SEC") on August 11, 2023, and (ii) the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, as filed with the SEC on November 2, 2023, except as set forth below:

***The loss of key personnel, including talent, Company could disrupt the management or operations of the Company's business suffer losses due to asset impairment charges for goodwill, intangible assets, programming and adversely affect its revenues, other assets and investments.***

The Company's business depends on the continued efforts Company performs an annual impairment assessment of its recorded goodwill and abilities of key personnel, indefinite-lived intangible assets, including news, sports and entertainment personalities. The loss of such personnel could disrupt the management or operations of the Company's business and adversely affect its revenues. FCC licenses. The Company employs also continually evaluates whether current factors or independently contracts with several news, sports and entertainment personalities who are featured on programming the Company offers. News, sports and entertainment personalities sometimes have a significant impact on the ranking of a cable network or station and its ability to attract and retain an audience and sell advertising. There can be no assurance that our news, sports and entertainment personalities will remain with us or retain their current appeal, that the costs associated with retaining current talent and hiring new talent will be favorable or acceptable to us, or that new talent will be as successful as their predecessors. Any of the foregoing could adversely affect the Company's business, financial condition or results of operations.

***Labor disputes may disrupt our operations and adversely affect the Company's business, financial condition or results of operations.***

In a variety of the Company's businesses, the Company and its partners engage the services of writers, directors, actors, musicians and other creative talent, production crew members, trade employees and others whose services are subject to collective bargaining agreements. Certain of these are industry-wide agreements, and the Company lacks practical influence with respect to the negotiation and terms of collective bargaining agreements. The writers guild ("WGA"), screen actors guild ("SAG-AFTRA") and directors guild ("DGA") collective bargaining agreements expired in 2023. The WGA members went on strike in May 2023 and the SAG-AFTRA members went on strike in July 2023. In June 2023, the DGA announced that it had reached a tentative agreement with the Association of Motion Picture and Television Producers (the "AMPTP"), which negotiates with the guilds on behalf of content producers. In September 2023, the WGA similarly announced that it had reached a tentative agreement with the AMPTP. When negotiations to renew collective bargaining agreements are not successful or become unproductive, strikes, work stoppages or lockouts have occurred, indicators, such as the WGA and SAG-AFTRA strikes prevailing conditions in the Spring and Summer capital markets, require the performance of 2023, and further strikes, work stoppages or lockouts could occur in the future. Such events have caused, and may continue to cause, delays in production and may lead to higher costs in connection with new collective bargaining agreements, which could reduce profit margins and could, over the long term, have an adverse effect on the Company's business, financial condition or results interim impairment assessment of operations.

In addition, our broadcast television and cable networks have programming rights agreements of varying scope and duration with various sports leagues to broadcast and produce sports events, including certain college football and basketball, NFL and MLB games. Any labor disputes that occur in any sports league for which we have the rights to broadcast live games or events may preclude us from airing or otherwise distributing scheduled games or events, resulting in decreased revenues, which could adversely affect our business, financial condition or results of operations.

***Certain of the Company's directors and officers may have actual or potential conflicts of interest because of their equity ownership in News Corp or because they also serve as officers and/or on the board of directors of News Corp.***

In June 2013, Twenty-First Century Fox, Inc. completed the separation of its businesses into two independent publicly traded companies by distributing to its shareholders shares of a new company called

News Corporation ("News Corp"). Certain of the Company's directors and executive officers own shares of common stock of News Corp, 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 News Corp. K. Rupert Murdoch, who currently serves as the Company's Chair and News Corp's Executive Chair, is stepping down from these roles effective as of each company's annual shareholder meeting in mid-November 2023 and will be appointed Chairman Emeritus of each company. Our Executive Chair and Chief Executive Officer, Lachlan K. Murdoch, currently serves as News Corp's Co-Chair and will become sole Chair of News Corp following its annual shareholder meeting. This ownership of 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 News Corp and the Company. In addition to any other arrangements that the Company and News Corp may agree to implement, the Company and News Corp 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.

Our amended and restated by-laws acknowledge that our directors and officers, those assets, as well as certain other long-lived assets. Any significant shortfall, now or in the future, in advertising revenue and/or the expected popularity of our stockholders, including K. Rupert Murdoch, certain members of his family and certain family trusts (so long as

such persons continue programming could lead to own, a downward revision in the aggregate, 10% fair value of certain reporting units. The Company holds investments in marketable and non-marketable equity securities. These investments are recorded either at fair value and measured on a recurring basis based on quoted prices in active markets or more of on a non-recurring basis whenever events or changes in circumstances indicate that the voting stock of each of News Corp and the Company), each of which we refer to as a covered stockholder, are or carrying amounts may become stockholders, directors, officers, employees or agents of News Corp and certain of its affiliates. Our amended and restated by-laws provide that any such overlapping person will not be liable to us, recoverable. A downward revision in the fair value of a reporting unit, indefinite-lived intangible assets, programming rights, investments or to any of our stockholders, for breach of any fiduciary duty that would otherwise exist because such individual directs a corporate opportunity to News Corp instead of us. The provisions in our amended and restated by-laws long-lived assets could result in an overlapping person submitting any corporate opportunities a non-cash impairment charge. Any such charge could be material to News Corp instead of us. the Company's reported net earnings in a given reporting period.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Below is a summary of the Company's repurchases of its Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock") during the three months ended September 30, 2023 December 31, 2023:

	Total number of shares purchased <sup>(a)</sup>	Average price paid per share <sup>(b)</sup>	Approximate dollar value of shares that may yet be purchased under the program <sup>(b)(c)</sup>
			(in millions)
July 1, 2023 - July 31, 2023	1,487,736	\$ 33.61	
August 1, 2023 - August 31, 2023 <sup>(d)</sup>	10,481,608	8.62	
September 1, 2023 - September 30, 2023	3,468,283	31.62	
<b>Total<sup>(d)</sup></b>	<b>15,437,627</b>	<b>16.19</b>	<b>\$ 2,150</b>

	Total number of shares purchased <sup>(a)</sup>	Average price paid per share <sup>(b)</sup>	Approximate dollar value of shares that may yet be purchased under the program <sup>(b)(c)</sup>
			(in millions)
October 1, 2023 - October 31, 2023	1,626,722	\$ 30.74	
November 1, 2023 - November 30, 2023	3,791,483	30.37	
December 1, 2023 - December 31, 2023	2,857,424	29.70	
<b>Total</b>	<b>8,275,629</b>	<b>30.21</b>	<b>\$ 1,900</b>

- (a) The Company has not made any purchases of Class A Common Stock or Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), other than in connection with the publicly announced stock repurchase program described below.
- (b) These amounts exclude any fees, commissions or other costs associated with the share repurchases.
- (c) The Company's Board of Directors has authorized a stock repurchase program, under which the Company can repurchase \$7 billion of Common Stock. The program has no time limit and may be modified, suspended or discontinued at any time.

(d) In February 2023, in connection with the stock repurchase program, the Company entered into an accelerated share repurchase ("ASR") agreement in which the Company paid a third-party financial institution \$1 billion and received an initial delivery of approximately 22.5 million shares of Class A Common Stock, representing 80% of the shares expected to be repurchased under the ASR agreement, at a price of \$35.54 per share. Upon settlement of the ASR agreement in August 2023, the Company received a final delivery of approximately 7.8 million shares of Class A Common Stock. The final number of shares purchased under the ASR agreement was determined using a price of \$33.03 per share (the volume-weighted average market price of the Class A Common Stock on the Nasdaq Global Select Market during the term of the ASR agreement less a discount) (See Note 6—Stockholders' Equity to the accompanying Unaudited Consolidated Financial Statements of FOX under the heading "Stock Repurchase Program").

In total, the Company repurchased approximately 15.424 million shares of Class A Common Stock for approximately \$250 \$500 million during the three six months ended September 30, 2023 December 31, 2023.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

Not applicable.

## ITEM 6. EXHIBITS

### (a) Exhibits.

- 3.1 [Amended and Restated By-laws of the Registrant \(incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated February 6, 2024 and filed with the Securities and Exchange Commission on February 7, 2024\).](#)
- 10.1 [Form of Amended Letter Agreement between Steven Tomsic and Restated Indemnification Agreementthe Registrant dated November 17, 2023.\\*](#)
- 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.\\*\\*](#)
- 101 The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **December 31, 2023** formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Unaudited Consolidated Statements of Operations for the three and six months ended **September 30, 2023** **December 31, 2023** and 2022; (ii) Unaudited Consolidated Statements of Comprehensive Income for the three and six months ended **September 30, 2023** **December 31, 2023** and 2022; (iii) Consolidated Balance Sheets as of **September 30, 2023** **December 31, 2023** (unaudited) and June 30, 2023 (audited); (iv) Unaudited Consolidated Statements of Cash Flows for the **three six** months ended **September 30, 2023** **December 31, 2023** and 2022; (v) Unaudited Consolidated Statements of Equity for the three **and six** months ended **September 30, 2023** **December 31, 2023** and 2022; and (vi) Notes to the Unaudited Consolidated Financial Statements.\*
- 104 Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

+ This exhibit is a management contract or compensatory plan or arrangement.

\*\* Furnished herewith.

## SIGNATURE

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.

Fox Corporation  
(Registrant)

By: /s/ Steven Tomsic  
Steven Tomsic  
Chief Financial Officer

Date: **November 2, 2023** February 7, 2024

**31 32**

Exhibit 10.1

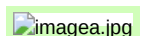
## FORM OF

**KEVIN E. LORD**

Executive Vice President

& Chief Human Resources Officer

1211 Avenue of the Americas, New York, NY 10036

imagea.jpg

Steven Tomsic

AMENDED AND RESTATED INDEMNIFICATION AGREEMENT

THIS AMENDED AND RESTATED INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of \_\_\_\_\_, 20\_\_ by and between Fox Corporation, a Delaware corporation (the "**Company**"), and ("**Indemnitee**").

WITNESSETH THAT:

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. The By-laws of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**"). The By-laws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law; and

WHEREAS, this Agreement is a supplement to and in furtherance of the By-laws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, each party hereto, intending to be legally bound hereby, agrees as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of Indemnitee's Corporate Status (as hereinafter defined), the Indemnitee has been, is, or is threatened to be made, a party to or participant in, or otherwise becomes involved in, any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of Indemnitee's Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the

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Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Delaware Court (as defined in Section 20) shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or participant in) and is successful, on the merits or otherwise, in any Proceeding, Indemnitee shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. **Additional Indemnity.** Notwithstanding any limitation in Section 1, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) by reason of Indemnitee's Corporate Status for all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf. For purposes of this Section 2, the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to: (a) to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and (b) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

3. **Contribution.**

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such Proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless (i) such settlement provides for a full and final release of all claims asserted against Indemnitee and (ii) does not impose any Expense, judgment, fine, penalty or limitation on Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by

the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

4. **Indemnification for Expenses of a Witness.** Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

5. **Advancement of Expenses.** Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that Indemnitee undertakes to repay the amounts advanced by the Company pursuant to this Section 5, if and only to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. **Procedures and Presumptions for Determination of Entitlement to Indemnification.** It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and the public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any

liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.



(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board: (1) by a majority vote of the Disinterested Directors, even though less than a quorum, (2) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, (3) if there are no Disinterested Directors or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee, or (4) if so directed by the Board, by the stockholders of the Company; provided, however, that if a Change in Control has occurred, the determination with respect to Indemnitee's entitlement to indemnification shall be made by Independent Counsel.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). If a Change in Control has not occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If a Change in Control has occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee requests that such selection be made by the Board, in which event the preceding sentence shall apply), and approved by the Board (which approval shall not be unreasonably withheld). If (i) an Independent Counsel is to make the determination of entitlement pursuant to this Section 6 and (ii) within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, (ii) a prohibition of such indemnification under applicable law or (iii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(c) of this Agreement; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration)

it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

## 7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) if no determination is required to be made by the Company pursuant to Section 1(c) of this Agreement, payment of indemnification is not made pursuant to Section 1(c) of this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict-of-law rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b). In any judicial proceeding or arbitration commenced pursuant to this Section 7, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 6(b) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 7, Indemnitee shall not be required to reimburse the Company for any advancement of Expenses pursuant to Section 5 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of Indemnitee's rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by or on behalf of Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.



(e) The Company agrees that it shall not assert in any judicial or arbitral proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification or advancement of Expenses as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

**8. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.**

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall obtain and maintain in effect during the entire period for which the Company is obligated to indemnify Indemnitee under this Agreement one or more policies of insurance with reputable insurance companies to provide the directors and officers of the Company with commercially reasonable coverage for losses from wrongful acts and omissions and to ensure the Company's performance of its indemnification obligations under this Agreement. Indemnitee shall be

covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director or officer under such policy or policies. In all such insurance policies, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee with the same rights and benefits as are accorded to the most favorably insured of the Company's directors and officers. At the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance [address on file](#) with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

**9. Exception to Right of Indemnification.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity or to advance expenses in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any such part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law or (iii) the Proceeding is one to enforce Indemnitee's rights under this Agreement.

**10. Duration of Agreement.** All agreements and obligations of the Company contained herein shall have commenced as of the date of the Original Indemnification Agreement and shall continue after the Indemnitee has ceased to serve as a director or officer of the Company or at the request of the Company as a director, officer, partner, trustee, member, employee or agent of another corporation, partnership, joint venture, trust, limited liability company, other

enterprise. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

**11. Security.** To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any

such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

**12. Enforcement.**

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve and to continue to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving and continuing to serve as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof. Notwithstanding any provision contained herein to the contrary: (i) without limiting the generality of Paragraph 8(a), the immediately preceding sentence shall neither be deemed a substitute nor diminish or abrogate in any manner any right which the Indemnitee may have or may hereafter acquire under any statute or applicable law, the Certificate of Incorporation of the Company, the By-laws, any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise and (ii) to the extent that a change in applicable law, whether by statute or judicial decision, or an amendment to the By-laws, permits greater indemnification, advancement of expenses or contribution than would be afforded currently under this Agreement, it is the intent of the parties that the Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change or amendment.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

(d) The indemnification and advancement of Expenses provided by, or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(e) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(f) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting

bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the court, and the Company hereby waives any such requirement of such a bond or undertaking.

**13. Definitions.** For purposes of this Agreement:

(a) **"Change in Control"** means any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (but excluding any employee benefit plan of such person or group or any entity acting in its capacity as trustee, agent or other fiduciary or administrator for such plan), other than the Permitted Holders, becomes the beneficial owner of more than 50% of the combined voting power of the Company's then outstanding common stock entitled to vote generally for the election of directors ("Voting Stock"). Notwithstanding anything to the contrary in this definition or any provision of Rule 13d-3 of the Exchange Act, (i) a person or group shall not be deemed to beneficially own Voting Stock (x) to be acquired by such person or group pursuant to an equity or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement or (y) solely as a result of veto or approval rights in any joint venture agreement, shareholder agreement, investor rights agreement or other similar agreement, (ii) if any group (other than a Permitted Holder) includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Company owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining

whether a Change in Control has occurred and (iii) a person or group (other than Permitted Holders) will not be deemed to beneficially own Voting Stock of another person as a result of its ownership of capital stock or other securities of such other person's parent entity (or related contractual rights) unless it owns more than 50% of the total voting power of the Voting Stock of such person's parent entity. For the avoidance of doubt, a transaction will not be deemed to involve a Change in Control if the Company is or becomes a direct or indirect wholly owned Subsidiary of a person and the direct or indirect holders of the Voting Stock of such person immediately following that transaction are substantially the same as the holders of the Voting Stock of the Company immediately prior to that transaction.

(b) **"Corporate Status"** describes the status of a person who is or was a director, officer, partner, trustee, managing member, manager, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, limited liability company, employee benefit plan or other Enterprise that such person is or was serving at the request of the Company.

(c) **"Disinterested Director"** means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) **"Enterprise"** shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the request of the Company as a director, officer, partner, trustee, managing member, manager, employee, agent or fiduciary.

(e) **"Exchange Act"** means the Securities Exchange of 1934, as amended.

(f) **"Expenses"** shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding

to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) **"Independent Counsel"** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term **"Independent Counsel"** shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) **"Permitted Holders"** means (a) K. Rupert Murdoch, his wife, parent or more remote forebear, children or more remote issue of a child, or brother or sister or child or more remote issue of a brother or sister or any trusts established for the benefit of one or more of the foregoing or controlled directly or indirectly by one or more of the foregoing; or (b) any person directly or indirectly controlled by one or more of the members of the Murdoch family described in clause (a) above.

(i) **"Proceeding"** includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of Indemnitee's Corporate Status, by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting in Indemnitee's Corporate Status; in each case whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce Indemnitee's rights under this Agreement.

14. **Severability.** If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity or, legality, and enforceability the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the fullest extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws.

15. **Modification and Waiver.** No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto.

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. **Notice By Indemnitee.** Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. **Notices.** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee's signature hereto.

(b) To the Company at:

Fox Corporation

1211 Avenue of the Americas

New York, New York 10036

Attention: Laura A. Cleveland, Secretary and Senior Vice President

E-mail: Laura.Cleveland@fox.com or to such other address as may have been furnished to Indemnitee by the Company or to the

Company by Indemnitee, as the case may be.

18. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

19. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. **Governing Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) generally and unconditionally consent to submit to the exclusive

jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

#### **SIGNATURE PAGE TO FOLLOW**

IN WITNESS WHEREOF, Dear Steven,

The Board of Directors has authorized an amendment to your March 19, 2019 Employment Agreement, as amended on November 10, 2021 (the "Employment Agreement"), to increase your "Target Bonus" (as defined in the parties hereto have executed this Amended and Restated Indemnification Agreement on and Employment Agreement) in section 4(b) from \$2,500,000 to \$2,750,000, effective as of July 1, 2023.

If you agree to the day foregoing, please countersign and year first above written, date below.

Sincerely,

/s/ Kevin E. Lord

Kevin E. Lord

Accepted and Agreed:

/s/ Steven Tomsic

Steven Tomsic

November 17, 2023

Date

**FOX CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**INDEMNITEE**

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Amended and Restated Indemnification Agreement Signature Page

Exhibit 31.1

**Chief Executive Officer Certification**  
**Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended**

I, Lachlan K. Murdoch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fox 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.

November 2, 2023 February 7, 2024

By: /s/ Lachlan K. Murdoch  
 Lachlan K. Murdoch  
 Chief Executive Officer

Exhibit 31.2

**Chief Financial Officer Certification**  
**Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended**

I, Steven Tomsic, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Fox 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.

November 2, 2023 February 7, 2024

By: /s/ Steven Tomsic  
 Steven Tomsic  
 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 Quarterly Report of Fox Corporation on Form 10-Q for the fiscal quarter ended **September 30, 2023** **December 31, 2023**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned officers of Fox 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 Fox Corporation.

**November 2, 2023** **February 7, 2024**

By: /s/ Lachlan K. Murdoch

Lachlan K. Murdoch  
Chief Executive Officer

By: /s/ Steven Tomsic

Steven Tomsic  
Chief Financial Officer

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