Risk Factors Comparison 2023-08-11 to 2022-08-12 Form: 10-K

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Prospective investors should consider carefully the risk factors set forth below before making an investment in the Company ~~'~~ **'** s securities. Risks Related to Macroeconomic Conditions, Our Business and Our Industry Changes in consumer behavior and evolving technologies and distribution platforms **continue to challenge existing business models and** may adversely affect the Company' s business, financial condition ~~and~~ **or** results of operations. The ways in which consumers view content and technology and business models in our industry continue to rapidly evolve and new distribution platforms and increased competition from new entrants and emerging technologies have added to the complexity of maintaining predictable revenue streams. Technological advancements have driven changes in consumer behavior as consumers ~~seek~~ **now have** more control over when, where and how they consume content and have ~~affected~~ **increased** advertisers' options for reaching their target audiences. Consumer preferences have evolved towards SVOD and AVOD services and other direct- to- consumer offerings **,** and there has been a substantial increase in the availability of content with reduced advertising or without advertising at all. ~~As consumers switch to digital consumption of video content, there is still to be developed a consistent, broadly accepted measure of multiplatform audiences across the industry.~~ In addition, **the** ~~consumers are increasingly~~ -- **increasing** ~~using~~ **use of** time- shifting and advertising- skipping technologies such as DVRs that enable ~~them~~ **viewers** to fast- forward or circumvent advertisements ~~. Substantial use of these technologies could impact~~ **impacts** the attractiveness of the Company' s programming to advertisers and **may** adversely affect our advertising revenues. Changes in consumer behavior and technology have also had an adverse impact on MVPDs that deliver the Company' s broadcast and cable networks to consumers. Consumers are increasingly turning to **lower- cost** alternatives, including direct- to- consumer offerings, which has contributed to industry- wide declines in subscribers to MVPD services over the last several years. These declines are expected to continue and possibly accelerate in the future. If consumers increasingly favor alternative offerings over MVPD subscriptions, the Company may continue to experience a decline in viewership and ultimately demand for the programming on its networks, which could lead to lower affiliate fee and advertising revenues. Changing distribution models may also negatively impact the Company' s ability to negotiate affiliation agreements on favorable terms, which could have an adverse effect on our business, financial condition or results of operations. Our affiliate fee and advertising revenues also may be adversely affected by consumers' use of antennas (and their integration with set- top boxes or other consumer devices) to access broadcast signals to avoid subscriptions. To remain competitive in this evolving environment, the Company must effectively anticipate and adapt to new market changes. The Company continues to focus on **investing in and** expanding its digital distribution offerings and direct engagement with consumers, including through ~~TUBI~~ **Tubi** , FOX Nation, FOX Weather and other offerings. However, if the Company fails to protect and exploit the value of its content while responding to, and developing new technology and business models to take advantage of, technological developments and consumer preferences, it could have a significant adverse effect on the Company' s business, financial condition ~~and~~ **or** results of operations. Declines in advertising expenditures could cause the Company ~~'~~ **'** s revenues and operating results to decline significantly in any given period or in specific markets. The Company derives substantial revenues from the sale of advertising, and its ability to generate advertising revenues depends on a number of factors. The strength of the advertising market can fluctuate in response to the economic prospects of specific advertisers or industries, advertisers' spending priorities and the economy in general or the economy of an individual geographic market. In addition, pandemics **(such as the COVID- 19 pandemic) and other widespread health emergencies** , natural and other disasters, acts of terrorism, wars, and political uncertainties and hostilities can also lead to a reduction in advertising expenditures as a result of economic uncertainty, ~~disrupted~~ **disruptions in** programming and services **(in particular live event programming)** or reduced advertising spots due to pre- emptions. **For example** ~~As described below~~ , **during** the COVID- 19 pandemic ~~has caused~~ some of the Company' s advertisers ~~to reduce~~ **reduced** their spending ~~in recent years~~ , which ~~has~~ had a negative impact on the Company ~~'~~ **'** s advertising revenues **, and similar events that adversely affect the Company' s advertising revenues could occur again in the future** . Major sports events, such as the NFL' s Super Bowl and the FIFA World Cup and the state, congressional and presidential election cycles also may cause the Company' s advertising revenues to vary substantially from year to year. Political advertising expenditures are impacted by the ability and willingness of candidates and political action campaigns to raise and spend funds on advertising and the competitive nature of the elections affecting viewers in markets featuring our programming. Advertising expenditures may also be affected by changes in consumer behavior and evolving technologies and platforms. There is increasing competition for the leisure time of audiences and demand for the Company' s programming as measured by ratings points is a key factor in determining the advertising rates as well as the affiliate rates the Company receives. In addition, as described above, newer technologies and platforms are increasing the number of media and entertainment choices available to audiences **, changing** ~~. Some of these~~ -- **the** ~~technologies~~ **ways viewers enjoy content** and **enabling** ~~platforms allow users to view programming from a remote location or on a time- delayed basis and provide users the~~ **them** ~~ability~~ to **avoid** ~~fast- forward, rewind, pause and skip programming and~~ advertisements ~~, which~~ **. These changes** could negatively affect the attractiveness of the Company' s offerings to advertisers. The pricing and volume of advertising may also be affected by shifts in spending **away from traditional media and** toward digital and mobile offerings, which can deliver targeted advertising more promptly, ~~from traditional media,~~ or toward newer ways of purchasing advertising such as through automated purchasing, dynamic advertising insertion ~~,~~ **and** third parties selling local advertising spots and advertising exchanges **. These new methods** ~~, some or all of which~~ may not be as beneficial to the Company as traditional advertising methods. The Company also generates advertising revenues through its ~~TUBI~~ **Tubi** AVOD service. The market for AVOD advertising campaigns is relatively new and evolving and if this market develops slower or differently than we expect, it could adversely affect our advertising revenues. Declines in advertising revenues may also be caused by regulatory intervention or other third- party action that impacts where and when advertising may be placed. Advertising sales also largely depend on audience measurement and could be negatively affected if measurement methodologies do not accurately reflect actual viewership levels. Although Nielsen' s statistical sampling method is the primary measurement methodology used for our linear television advertising sales, we measure and monetize our digital platforms based on a combination of internal and third- party data, including demographic composite estimates. A consistent, broadly accepted measure of multiplatform audiences across the industry remains to be developed. Although we expect multiplatform measurement innovation and standards to benefit us as the video advertising market continues to evolve, we are still partially dependent on third parties to provide these solutions. A decrease in advertising expenditures, reduced demand for the Company' s programming or the inability to obtain market ratings that adequately measure demand for the Company' s content on all platforms could lead to a reduction in pricing and advertising spending, which could have a material adverse effect on the Company' s business, financial condition or results of operations. Because the Company derives a significant portion of its revenues from a limited number of distributors, the failure to enter into or renew affiliation and carriage agreements on favorable terms, or at all, could have a material adverse effect on the Company ~~'~~**’** s business, financial condition or results of operations. The Company depends on affiliation and carriage arrangements that enable it to reach a large percentage of households through MVPDs and third party- owned television stations. The inability to enter into or renew MVPD arrangements on favorable terms, or at all, or the loss of carriage on MVPDs' basic programming tiers could reduce the distribution of the Company' s owned and operated television stations and broadcast and cable networks, which could adversely affect the Company' s revenues from affiliate fees and its ability to sell national and local advertising time. The loss of favorable MVPD packaging, positioning, pricing or other marketing opportunities could also negatively impact the Company' s revenues from affiliate fees. These risks are exacerbated by consolidation among traditional MVPDs, their increased vertical integration into the cable or broadcast network business and their use of alternative technologies to offer their subscribers access to local broadcast network programming, which have provided traditional MVPDs with greater negotiating leverage. Competitive pressures faced by MVPDs, particularly in light of ~~the lower retail prices of streaming services~~ **evolving consumer viewing patterns and distribution models** , could adversely affect the terms of our contract renewals with MVPDs. In addition, if the Company and an MVPD reach an impasse in contract renewal negotiations, the Company' s networks and owned and operated television stations could become unavailable to the MVPD' s subscribers (i. e.," go dark"), which, depending on the length of time and the size of the MVPD, could have a negative impact on the Company' s revenues from affiliate fees and advertising. The Company also depends on the maintenance of affiliation agreements and license agreements with third party- owned television stations to distribute the FOX Network and MyNetworkTV in markets where the Company does not own television stations. Consolidation among television station group owners could increase their negotiating leverage and reduce the number of available distribution partners. There can be no assurance that these affiliation and license agreements will be renewed in the future on terms favorable to the Company **, or at all** . The inability to enter into affiliation or licensing arrangements with third-party owned television stations on favorable terms could reduce distribution of the FOX Network and MyNetworkTV and the inability to enter into such affiliation or licensing arrangements for the FOX Network on favorable terms could adversely affect the Company' s affiliate fee revenues and its ability to sell national advertising time. In addition, the Company has arrangements through which it makes its content available for viewing through third- party online video platforms. If these arrangements are not renewed on favorable or commercially reasonable terms or at all, it could adversely affect the Company' s revenues and ~~operating~~ results **of operations** . If the number of subscribers to MVPD services continues to decline or such declines accelerate, the Company ~~'~~**’** s affiliate fee and advertising revenues could be negatively affected. As described above, changes in technology and consumer behavior have contributed to industry- wide declines in the number of subscribers to MVPD services, which have had a negative impact on the number of subscribers to the Company ~~'~~**’** s networks. These industry- wide subscriber declines are expected to continue and possibly accelerate in the future. The majority of the Company ~~'~~**’** s affiliation agreements with MVPDs are multi- year contracts that provide for payments to the Company that are based in part on the number of MVPD subscribers covered by the agreement. If declines in the number of MVPD subscribers are not fully offset by affiliate rate increases, the Company ~~'~~**’** s affiliate fee revenues will be negatively affected. Because MVPD subscriber losses could also decrease the potential audience for the Company ~~'~~**’** s networks, which is a critical factor affecting both the pricing and volume of advertising, future MVPD subscriber declines could also adversely impact the Company ~~'~~**’** s advertising revenues. The Company is exposed to risks associated with weak economic conditions ~~(including the current inflationary environment)~~ and increased volatility and disruption in the financial markets. ~~The~~ **Prevailing economic conditions and the state of the financial markets affect various aspects of our business. In recent years, the** U. S. economy has experienced a period of weakness **and** ~~due to, among other~~ -- **the** ~~things,~~ **financial markets have experienced significant volatility as a result of** the COVID- 19 pandemic, ~~which has~~ **declining economic growth, diminished availability of credit, declines in consumer confidence, concerns regarding high inflation, uncertainty about economic stability and political and sociopolitical uncertainties and conflicts. Additional factors that have affected economic conditions and the financial markets include higher interest rates, global supply chain disruptions, unemployment rates, changes in consumer spending habits and potential changes in trade relationships between the U. S. and other countries. Weak economic conditions have** had and may continue to have an adverse impact on the Company' s business, financial condition and results of operations. ~~Factors that affect~~ **For example, reduced advertising expenditures due to a weak** ~~economic~~ **economy** ~~conditions include~~ **can negatively impact our advertising revenues, as described above, and increasing** inflation **raises our labor** ~~, global supply chain disruptions, the rate of unemployment, the level of consumer confidence, changes in consumer spending habits, political and sociopolitical uncertainties and conflicts, and potential changes in trade relationships between the U. S.~~ and other **costs required to operate our** ~~countries. The Company also faces risks associated with the impact of weak economic conditions on advertisers, affiliates,~~

~~suppliers, wholesale distributors, retailers, insurers and others with which it does~~ business. Increased volatility and ~~disruptions~~ **weakness** in the financial markets **,** ~~could make it more difficult or expensive for~~ the **further tightening of credit** ~~Company to refinance outstanding indebtedness and obtain new financing. The financial~~ markets ~~can experience high levels of volatility and access to capital can be constrained for~~ - **or a decrease in** ~~extended periods of time, and we cannot guarantee that the Company will be able to refinance outstanding indebtedness or~~ **our** ~~obtain financing on terms that are acceptable to the Company or at all. In addition, the Company' s access to and cost of borrowing can be affected by the Company' s short- term and long- term~~ debt ratings assigned by ratings agencies ~~. If we are not successful in~~ **could adversely affect our ability to cost- effectively refinance outstanding indebtedness or** ~~obtaining~~ --- **obtain new** financing **. The Company also faces risks associated with the impact of weak economic** ~~or incur significantly higher borrowing costs than contemplated, it may have a material adverse effect on our business, financial condition~~ **conditions and** ~~or results of operations. Disruptions~~ - **disruption** in the financial markets ~~can also adversely affect~~ **on third parties with which** the Company ~~' s~~ **does business, including advertisers, affiliates, suppliers, wholesale distributors, retailers,** lenders, insurers, ~~customers and counterparties, including~~ vendors, retailers **, banks** and ~~other~~ **others** ~~partners~~ . For instance, the inability of the Company' s counterparties to obtain capital on acceptable terms could impair their ability to perform under their agreements with the Company and lead to negative effects on the Company, including business disruptions, decreased revenues and increases in bad debt expenses. ~~The~~ **There** ~~COVID- 19 pandemic and~~ **can be no assurance that further weakening of economic conditions or volatility or disruption in** ~~other~~ -- **the** ~~widespread health emergencies or pandemics~~ **financial markets will not occur. If they do, it** could **have a** ~~materially~~ -- **material** ~~adversely~~ -- **adverse** ~~affect~~ **impact on** the Company ~~'~~ **'** s business, financial condition or results of operations. The ~~COVID- 19 pandemic has resulted in widespread and continuing negative impacts on the macroeconomic environment and disruption to the~~ Company ~~' s business. COVID- 19 had a significant negative impact on the Company' s advertisers' spending in fiscal 2020, which has lessened in subsequent years; however, future declines in the economic prospects of advertisers or the economy in general could further negatively impact their advertising expenditures in the future. Although the Company has not experienced meaningful subscriber declines due to the pandemic, a worsening of the pandemic could cause industry- wide changes in consumer behavior, such as increasing numbers of consumers canceling or foregoing subscriptions to MVPD services, which could adversely affect the Company' s future affiliate fee and advertising revenues. The Company' s business depends on the volume and popularity of the content it distributes. Particularly in fiscal 2020 and fiscal 2021, COVID- 19 caused cancellations and postponements of live sports events to which the Company had broadcast rights and suspensions of the production of certain entertainment content. These content disruptions adversely affected the Company' s advertising and affiliate revenues and operating expenses. If there are similar disruptions in the future, there could be additional adverse impacts on such revenues or operating expenses. In addition, a significant decline in the Company' s estimated revenues or the expected popularity of its programming could lead to a downward revision in the value of, among other things, the Company' s indefinite- lived intangible assets, programming rights and long- lived assets and result in a non- cash impairment charge that is material to the Company' s reported net earnings. The magnitude of the continuing impact of COVID- 19 and its variants remains uncertain and subject to change and will depend on evolving factors the Company may be unable to control or accurately predict. These include the duration and scope of the pandemic; the duration and extent of its impact on global and regional economies and economic activity; the effect of governmental actions; the impact of the pandemic on the health, well-being and productivity of the Company' s employees and the Company' s ability to conduct its operations; and potential changes in consumer behavior. The COVID- 19 pandemic and other widespread health emergencies or pandemics could have a material adverse effect on the Company' s business, financial condition or results of operations. The Company' s businesses operate~~ **operates** in a highly competitive industry. The Company competes with other companies for high- quality content to reach large audiences and ~~to~~ generate advertising revenue. The Company also competes for **advertisers' expenditures and** distribution on MVPDs and other third- party digital platforms. The Company' s ability to attract viewers and advertisers and obtain favorable distribution depends in part on its ability to provide popular programming and adapt to new technologies and distribution platforms, which are increasing the number of content choices available to audiences. ~~The consolidation~~ **Consolidation among our competitors** ~~of advertising agencies, distributors~~ and **other industry participants** ~~television service providers also~~ has increased **, and may continue to do so, further intensifying competitive pressures. Our competitors include companies with interests in multiple media businesses that are often vertically integrated, as well as companies in adjacent sectors with significant financial, marketing and other resources, greater efficiencies of scale, fewer regulatory burdens and more competitive pricing. These competitors could also have preferential access to important technologies, such as those that use artificial intelligence or competitive information, including customer data. Our competitors may also enter into business combinations or partnerships that strengthen** their ~~negotiating leverage and made competition~~ **competitive position** ~~for audiences, advertising revenue, and distribution more intense~~ . Competition for audiences and / or advertising comes from a variety of sources, including broadcast television networks; cable television systems and networks; direct- to-consumer ~~live~~ streaming **and on- demand** platforms ~~, SVOD~~ and ~~AVOD~~ services ~~and~~ **;** mobile, gaming and social media platforms; audio programming; and print and other media. Other television stations or cable networks may change their formats or programming, a new station or new network may adopt a format to compete directly with the Company' s stations or networks, or stations or networks might engage in aggressive promotional campaigns. In addition, ~~some competitors that operate~~ **an increasing number of** SVOD services **with** ~~have introduced or are planning to introduce~~ advertising- supported offerings ~~that~~ may ~~increase~~ **intensify** competition for audiences and / or advertising. Increased competition in the acquisition of programming may also affect the scope of rights we are able to acquire and the cost of such rights, and the future value of the rights we acquire or retain cannot be predicted with certainty. ~~Entering into or renewing contracts for programming rights or acquiring additional rights may result in increased costs to the Company. With respect to long- term contracts for sports programming rights, our results of operations and cash flows over the term of a contract depend on a number of factors,~~

~~including the strength of the advertising market, our audience size, the ability to secure distribution from and impose surcharges or obtain carriage on MVPDs for the content, and the timing and amount of our rights payments.~~ There can be no assurance that ~~revenue from acquired rights contracts will exceed our costs for the rights, as well as the other costs of producing and distributing the programming. There can be no assurance that~~ the Company will be able to compete successfully in the future against existing or potential competitors or that competition ~~or consolidation~~ in the marketplace will not have a material adverse effect on its business, financial condition or results of operations. ~~revenues.In addition,if the Company does not obtain exclusive rights to the programming it distributes,it could negatively impact the Company' s advertising and affiliate fee revenues.~~ Acceptance of the Company' s content by the public is difficult to predict,which could lead to fluctuations in **or adverse impacts on** revenues. ~~Television~~ **Programming** distribution is a speculative business since the revenues derived from the distribution of content ~~depends~~ - **depend** primarily ~~upon~~ **on** its acceptance by the public,which is difficult to predict.Low public acceptance of the Company' s content will adversely affect the Company' s results of operations.The commercial success of our programming also depends ~~upon~~ **on** the quality and acceptance of other competing programming,the growing number of alternative forms of entertainment and leisure activities,general economic conditions and their effects on consumer spending and other tangible and intangible factors,all of which can change and cannot be predicted with certainty.Moreover,we must often invest substantial amounts in programming and the acquisition of sports rights before we learn the extent to which the content will earn consumer acceptance ~~.~~ **and,as described below,** ~~Competition~~ **competition** for popular content,particularly sports and entertainment programming,is intense ~~,and~~ **.A decline in** the **ratings** ~~Company may need to increase the price it pays for~~ - **or** ~~popular~~ **popularity** ~~content rights.The~~ **of the Company' s entertainment,news or sports programming or the** Company' s failure to obtain or retain rights to popular content **could adversely affect the Company' s advertising revenues in the near term and** , ~~or~~ **over** a ~~decline in the~~ **longer period of time,its affiliate fee revenues.** Our business ~~is dependent~~ **depends** on the popularity of special sports events and the continued popularity of the sports leagues and teams for which we have programming rights. Our sports business depends on the popularity and success of the sports franchises, leagues and teams for which we have acquired broadcast and cable network programming rights. If a sports league declines in popularity or fails to generate fan enthusiasm, this may negatively impact viewership and advertising and affiliate fee revenues received in connection with our sports programming. Our operating results may be impacted in part by special events, such as the NFL' s Super Bowl, which is broadcast on the FOX Network on a rotating basis with other networks, the MLB' s World Series and the FIFA World Cup, which occurs every four years (for each of women and men), and other regular and post- season sports events **that air** ~~delivered to consumers~~ on our broadcast television and cable networks. Our advertising and affiliate fee revenues are subject to fluctuations based on the dates of sports events and their availability for viewing ~~through~~ **on** our broadcast television and cable networks and the popularity of the competing teams. For example, any decrease in the number of post- season games played in a sports league for which we have acquired broadcast programming rights, or the participation of a smaller- market sports franchise in post- season competition could result in lower advertising revenues for the Company. There can be no assurance that any sports league will continue to generate fan enthusiasm or provide the expected number of regular and post- season games for advertisers and customers, and the failure to do so could result in a material adverse effect on our business, financial condition ~~and~~ **or** results of operations. ~~Additionally~~ **In prior years** , **a significant number** ~~increased competition for the sale~~ of **live** sports ~~event~~ **events** ~~advertising time with~~ **were cancelled or postponed due to** ~~other~~ -- **the** ~~television networks~~ **COVID- 19 pandemic** , **which** ~~stations and other advertising platforms, such as digital media, audio and print, may~~ adversely ~~affect~~ **affected** **our** ~~the Company' s~~ revenues and ~~operating~~ results **of operations** . A shortfall in the expected popularity of the sports events for which the Company has acquired rights ~~,~~ or in the volume of sports programming the Company expects to distribute ~~,~~ could adversely affect the Company' s advertising revenues in the near term and, over a longer period of time, **its** ~~adversely affect~~ affiliate fee revenues. The inability to renew programming rights, particularly sports programming rights, on sufficiently favorable terms, or at all, could cause the Company ~~'~~ **’** s advertising and affiliate fee revenues to decline significantly in any given period or in specific markets. We enter into long- term contracts for both the acquisition and ~~the~~ distribution of media programming and products, including contracts for the acquisition of programming rights for sports events and other ~~programs~~ **content** , and contracts for the distribution of our programming to content distributors. Programming rights agreements, retransmission consent agreements, carriage contracts and affiliation agreements have varying durations and renewal terms that are subject to negotiation with other parties, the outcome of which is unpredictable. ~~In addition~~ **The negotiation of programming rights agreements for popular licensed programming** , **and popular licensed sports programming in particular, is complicated by the intensity of** competition for **these** ~~popular programming~~ rights ~~, and sports programming rights in particular, that are licensed from third parties is intense, and the licenses have varying duration and renewal terms~~ . Moreover, the value of these agreements may ~~also~~ be **negatively** affected by **factors outside of** ~~various league decisions and / or~~ **our control, such as** league agreements **and** ~~that we may not be able to control, including a decision~~ **decisions** to alter the number, frequency and timing of regular and post- season games played during a season. ~~As these contracts expire~~ **We may be unable to renew existing** , **or enter into new, programming rights agreements on terms that are favorable to us and** we may **be outbid by** ~~seek renewals on favorable terms; however,~~ third parties ~~may outbid us for~~ **and therefore unable to obtain** the rights ~~contracts~~ **at all** . The loss of rights or renewal on less favorable terms could **negatively** impact the quality or quantity of **our programming** ~~the Company' s programs~~ , in particular ~~the~~ **our** sports **programming** ~~coverage offered by the Company, its cable networks, broadcast stations and affiliates to the FOX Network~~ , and could adversely affect **our** ~~the Company' s~~ advertising and affiliate fee revenues. ~~Upon renewal,~~ **These revenues could also be negatively impacted if we do not obtain exclusive rights to** the ~~Company' s~~ **programming we distribute. Our** results **of operations and cash flows over the term of a sports programming agreement depend on a number of factors, including the strength of the advertising market, our audience size, the timing and amount of our rights payments and our ability to secure distribution from and impose surcharges or obtain carriage on MVPDs for the content. If escalations in programming rights costs (together with our**

production and distribution costs) are not offset by increases in advertising and affiliate fee revenues, our results of operations could be adversely affected if escalations in programming rights costs are...... time, adversely affect affiliate fee revenues . Damage to our brands, particularly the FOX brand, or our reputation could have a material adverse effect on our business, financial condition ~~and~~ **or** results of operations. Our brands, particularly the FOX brand, are among our most valuable assets. We believe that our brand image, awareness and reputation strengthen our relationship with consumers and contribute significantly to the success of our business. Maintaining, ~~further~~ enhancing and extending our brands may require us to make significant investments in marketing, programming or new products, services or events ~~.~~ **, and** ~~These~~ **these** investments may not be successful. We may introduce new programming that is not popular with our consumers and advertisers, which may negatively affect our brands. To the extent our content, in particular our live news and sports programming and primetime entertainment programming, is not compelling to consumers, our ability to maintain a positive reputation may be adversely impacted. **The Company' s brands, credibility and reputation could be damaged by incidents that erode consumer, advertiser or business partner trust or a perception that the Company' s offerings, including its journalism, programming and other content, are low quality, unreliable or fail to attract and retain audiences. Litigation,** ~~Governmental~~ **governmental** scrutiny and fines and significant negative claims or publicity regarding the Company or its operations, content, products, management, employees, practices, advertisers, business partners and culture, including individuals associated with content we create or license, may damage the Company' s reputation and brands, even if **meritless or** ~~such claims are~~ untrue. Furthermore, to the extent our marketing, customer service and public relations efforts are not effective or result in negative consumer reaction, our ability to maintain a positive reputation may likewise be adversely impacted. If we are not successful in maintaining or enhancing the image or awareness of our brands, or if our reputation is harmed for any reason, it could have a material adverse effect on our business, financial condition ~~and~~ **or** results of operations. Our investments in new businesses, products, services and technologies through acquisitions and other strategic investments present many risks, and we may not realize the financial and strategic goals we had contemplated, which could adversely affect our business, financial condition ~~and~~ **or** results of operations. We have acquired and invested in, and expect to continue acquiring and investing in, new businesses, products, services and technologies that complement, enhance or expand our current businesses or otherwise offer us growth opportunities. Such acquisitions and strategic investments may involve significant risks and uncertainties, including insufficient revenues from an investment to offset any new liabilities assumed and expenses associated with the investment; a failure of the investment or acquired business to perform as expected, meet financial projections or achieve strategic goals; a failure to further develop an acquired business, product, service or technology; unidentified issues not discovered in our due diligence that could cause us to not realize anticipated benefits or to incur unanticipated liabilities; difficulties in integrating the operations, personnel, technologies and systems of acquired businesses; the potential loss of key employees or customers of acquired businesses; the diversion of management attention from current operations; and compliance with new regulatory regimes. Because acquisitions and investments are inherently risky and their anticipated benefits or value may not materialize, our acquisitions and investments may adversely affect our business, financial condition ~~and~~ **or** results of operations. The loss of key personnel, including talent, could disrupt the management or operations of the Company ~~'~~ **'** s business and adversely affect its revenues. The Company' s business depends ~~upon~~ **on** the continued efforts, abilities and expertise of its Chair K. Rupert Murdoch and Executive Chair and Chief Executive Officer Lachlan K. Murdoch, and other key employees and news, sports and entertainment personalities. ~~The Company~~ **Although we maintain long- term and emergency transition plans for key management personnel, we** ~~believes~~ - **believe** that ~~the~~ **our executive officers'** unique combination of skills and experience ~~possessed by its executive officers~~ would be difficult to replace and ~~that the~~ **their** loss ~~of its executive officers~~ could have a material adverse effect on the Company, including the impairment of **its** ~~the Company' s~~ ability to **successfully** execute ~~successfully~~ its business strategy. Additionally, the Company employs or independently contracts with several news, sports and entertainment personalities ~~with significant, loyal audiences~~ **who are featured on programming the Company offers** . News, sports and entertainment personalities ~~are~~ sometimes **have a** ~~significantly~~ -- **significant** ~~responsible for~~ **impact on** the ranking of ~~programming on~~ a ~~television station or~~ cable network **or station** and **its** ~~,~~ ~~therefore, a significant influence on the~~ ability ~~of the station or network~~ to **attract and retain an audience and** sell advertising ~~. The Company' s broadcast television stations and cable networks deliver programming with highly regarded on- air talent who are important to attracting and retaining audiences for the distributed news, sports and entertainment content~~ . There can be no assurance that ~~these~~ **our** news, sports and entertainment personalities will remain with us or retain their current appeal, ~~or~~ that the costs associated with retaining ~~this~~ **current talent** and **hiring** new talent will be favorable or acceptable to us **,** ~~. If the Company fails to retain~~ or **that new** ~~attract these personalities and~~ talent ~~or they lose~~ **will be as successful as** their ~~current audiences or advertising partners,~~ **predecessors. Any of the foregoing could adversely affect** the Company' s business, financial condition ~~and~~ **or** results of operations ~~could be adversely affected~~ . Labor disputes ~~involving our own employees or those at businesses we depend on~~ may disrupt our operations and adversely affect the Company ~~'~~ **'** s business, financial condition ~~and~~ **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 ~~who~~ **whose services** are subject to collective bargaining agreements. ~~If~~ **Certain of** ~~the~~ **these** ~~Company or its partners~~ are ~~unable~~ **industry- wide agreements, and the Company lacks practical influence with respect** to ~~renew expiring~~ **the negotiation and terms of** collective bargaining agreements ~~, the affected unions could take action in the form of strikes or work stoppages~~ . ~~Such~~ **The writers guild (" WGA "), screen** ~~actions~~ - **actors** ~~, as well as higher costs in connection with these~~ **guild (" SAG- AFTRA ") and directors guild (" DGA ")** collective bargaining agreements ~~or a significant labor dispute~~ **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, which negotiates with the guilds on behalf of content producers. When negotiations to renew**

collective bargaining agreements are not successful or become unproductive, strikes, work stoppages or lockouts have occurred, such as the WGA and SAG- AFTRA strikes in the Spring and Summer 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 ~~by causing delays in production or reducing profit margins. Moreover~~ , **financial condition or results** ~~the Company has certain collective bargaining agreements, which are industry- wide agreements, and the Company may lack practical control over the negotiations and terms~~ of **operations** ~~the agreements in dispute~~ . 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, ~~revenue and~~ **financial condition or** results of operations. The Company could suffer losses due to asset impairment charges for goodwill, intangible assets ~~and~~ **,** programming **and other assets and investments** . The Company performs an annual impairment assessment of its recorded goodwill and indefinite- lived intangible assets, including FCC licenses. The Company also continually evaluates whether current factors or indicators, such as the prevailing conditions in the capital markets, require the performance of an interim impairment assessment of those assets, as well as other investments and other long- lived assets. Any significant shortfall, now or in the future, in advertising revenue and / or the expected popularity of our programming could lead to a downward revision in the fair value of certain reporting units. A downward revision in the fair value of a reporting unit, indefinite- lived intangible assets, programming rights, investments or long- lived assets could result in a non- cash impairment charge. Any such charge could be material to the Company ~~'~~**’** s reported net earnings. Risks Relating to Cybersecurity, Piracy, Privacy and Data Protection The degradation, failure or misuse of the Company ~~'~~**’** s network and information systems and other technology could cause a disruption of services or improper disclosure of personal data or other confidential information, resulting in increased costs, liabilities or loss of revenue. Cloud services, content delivery and other networks, information systems and other technologies that we or our vendors or other partners use, including technology systems used in connection with the production and distribution of our content (the ~~"~~**“** Systems ~~"~~**”**), are critical to our business activities, and shutdowns or disruptions of, and cybersecurity attacks on, the Systems pose increasing risks. Disruptions to the Systems, such as computer hacking and phishing, theft, computer viruses, ransomware, worms or other destructive software, process breakdowns, denial of service attacks or other malicious activities, as well as power outages, natural or other disasters (including extreme weather), terrorist activities or human error, may affect the Systems and could result in disruption of our services, misappropriation, misuse, alteration, theft, loss, leakage, falsification, and accidental or premature release or improper disclosure of confidential or other information, including intellectual property and personal data (of third parties, employees and users of our streaming services and other digital properties) contained on the Systems. The techniques used to access, disable or degrade service or sabotage systems change frequently and continue to become more sophisticated and targeted **, and the increasing use of artificial intelligence may intensify cybersecurity risks** . While we and our vendors and partners continue to develop, implement and maintain security measures seeking to identify and mitigate cybersecurity risks, including unauthorized access to or misuse of the Systems, such efforts are costly, require ongoing monitoring and updating and may not be successful in preventing these events from occurring. In addition, the Company ~~'~~**’** s recovery and business continuity plans may not be adequate to address any cybersecurity incidents that occur. The Company ~~'~~**’** s high- profile sports and entertainment programming and its extensive news coverage of elections, sociopolitical events and public controversies subject us to heightened cybersecurity risks. Although no cybersecurity incident has been material to the Company ~~'~~**’** s businesses to date, we expect to continue to be subject to cybersecurity threats and attacks and there can be no assurance that we will not experience a material incident. Any cybersecurity incidents could result in a disruption of our operations, customer or advertiser dissatisfaction, damage to our reputation or brands, regulatory investigations, claims, lawsuits or loss of customers or revenue, and the Company may also be subject to liability under relevant contractual obligations and laws and regulations protecting personal data and may be required to expend significant resources to defend, remedy and / or address any incidents. The Company may not have adequate insurance coverage to compensate it for any losses that may occur. Technological developments may increase the threat of content piracy and signal theft and limit the Company ~~'~~**’** s ability to protect its intellectual property rights. Content piracy and signal theft present a threat to the Company ~~'~~**’** s revenues from products and services, including television shows, cable and other programming. The Company seeks to limit the threat of content piracy as well as cable and direct broadcast satellite programming signal theft; however, policing unauthorized use of the Company ~~'~~**’** s products and services and related intellectual property is often difficult and the steps taken by the Company may not in every case prevent infringement. Although no content theft has been material to the Company ~~'~~**’** s businesses to date, we expect to continue to be subject to content threats and there can be no assurance that we will not experience a material incident. Developments in technology, including **artificial intelligence,** digital copying, file compression technology, growing penetration of high- bandwidth Internet connections, increased availability and speed of mobile data networks, and new devices and applications that enable unauthorized access to content, increase the threat of content piracy by making it easier to **create,** access, duplicate, widely distribute and store high-quality pirated material. In addition, developments in software or devices that circumvent encryption technology and the falling prices of devices incorporating such technologies increase the threat of unauthorized use and distribution of direct broadcast satellite programming signals and the proliferation of user- generated content sites and live and stored video streaming sites, which deliver unauthorized copies of copyrighted content, including those emanating from other countries in various languages, may adversely impact the Company ~~'~~**’** s businesses. The proliferation of unauthorized distribution and use of the Company ~~'~~**’** s content could have an adverse effect on the Company ~~'~~**’** s businesses and profitability because it reduces the revenue that the

Company could potentially receive from the legitimate sale and distribution of its products and services. The Company takes a variety of actions to combat piracy and signal theft, both individually and, in some instances, together with industry associations, but the protection of the Company ~~'~~**’**s intellectual property rights depends on the scope and duration of the Company ~~'~~**’**s rights as defined by applicable laws in the U. S. and abroad and how those laws are construed. If those laws are interpreted in ways that limit the extent or duration of the Company ~~'~~**’**s rights or if existing laws are changed, the Company ~~'~~**’**s ability to generate revenue from intellectual property may decrease or the cost of obtaining and enforcing our rights may increase. A change in the laws of one jurisdiction may also have an impact on the Company ~~'~~**’**s overall ability to protect its intellectual property rights across other jurisdictions. The Company ~~'~~**’**s efforts to enforce its rights and protect its products, services and intellectual property may not be successful in preventing content piracy or signal theft. Further, while piracy and the proliferation of piracy-enabling technology tools continue to escalate, if any laws intended to combat piracy and protect intellectual property are repealed, weakened or not adequately enforced, or if the applicable legal systems fail to evolve and adapt to new technologies that facilitate piracy, we may be unable to effectively protect our rights and the value of our intellectual property may be negatively impacted, and our costs of enforcing our rights could increase ~~.~~ The Company is subject to complex laws, regulations, rules, industry standards, and contractual obligations related to privacy and personal data protection, which are evolving, inconsistent and potentially costly. We are subject to U. S. federal and state laws **and regulations** , as well as ~~laws from~~ **those of** other countries, relating to the collection, use, disclosure, and security of personal information. The number and complexity of these laws **and regulations** continues to increase. For example, California, Virginia, Utah ~~and~~ **, Colorado,** Connecticut **, and several other states** have passed legislation imposing broad obligations on businesses ~~'~~**’** collection, use, handling and disclosure of personal information of their respective residents and imposing fines for noncompliance. The **FTC also has initiated a rulemaking proceeding regarding potential rules concerning the collection, use, disclosure and security of personal information. In addition, the** E. U., the U. K. and other countries ~~also~~ have privacy and data security legislation, with significant penalties for violations, that apply to certain of the Company ~~'~~**’**s operations. New privacy and data protection laws **and regulations** continue to be introduced and interpretations of existing privacy laws **and regulations** , some of which may be inconsistent with one another, continue to evolve. As a result, significant uncertainty exists as to their application and scope. Compliance with these laws and regulations may be costly and could require the Company to change its business practices, including in connection with data- driven targeted advertising ~~in its digital offerings~~ . Although the Company expends significant resources to comply with privacy and data protection laws, we may be subject to regulatory or other legal action despite these efforts. Any such action could result in damage to our reputation or brands, loss of customers or revenue, and other negative impacts to our operations. The Company may also be subject to liability under relevant contractual obligations and may be required to expend significant resources to defend, remedy and / or address any claims. The Company may not have adequate insurance coverage to compensate it for any losses that may occur. For more information, see Item 1, ~~"~~**“**Government Regulation – Privacy and Information Regulation. ~~"~~**”** Risks Relating to Legal and Regulatory Matters Changes in laws and regulations may have an adverse effect on the Company ~~'~~**’**s business, financial condition ~~and~~ **or** results of operations. The Company is subject to a variety of laws and regulations in the jurisdictions in which its businesses operate. In general, the television broadcasting and traditional MVPD industries in the U. S. are highly regulated by federal laws and regulations issued and administered by various federal agencies, including the FCC. The FCC generally regulates, among other things, the ownership of media, broadcast and multichannel video programming and technical operations of broadcast licensees. For example, the Company is required to apply for and operate in compliance with licenses from the FCC to operate a television station, purchase a new television station, or sell an existing television station, with licenses generally subject to an eight- year renewable term. Our program services and online properties are subject to a variety of laws and regulations, including those relating to issues such as content regulation, user privacy and data protection, and consumer protection. Further, the United States Congress, the FCC **, the FTC** and state legislatures currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters, including technological changes and measures relating to network neutrality, privacy and data security, which could, directly or indirectly, affect the operations and ownership of the Company ~~'~~**’**s media properties. From time to time, the FCC considers whether virtual MVPDs should be considered MVPDs (as defined by the FCC) and regulated as such, which could negatively impact the Company ~~'~~**’**s distribution model. Any restrictions on political or other advertising may adversely affect the Company ~~'~~**’**s advertising revenues. In addition, some policymakers maintain that traditional MVPDs should be required to offer a la carte programming to subscribers on a network-by- network basis or ~~"~~**“** family friendly ~~"~~**”** programming tiers. Unbundling packages of program services may increase both competition for carriage on distribution platforms and marketing expenses, which could adversely affect the business, financial condition ~~and~~ **or** results of operations of the Company ~~'~~**’** s cable networks. The threat of regulatory action or increased scrutiny that deters certain advertisers from advertising or reaching their intended audiences could adversely affect advertising revenue. Similarly, new laws or regulations or changes in interpretations of laws or regulations could require changes in the operations or ownership of our business. Furthermore, new laws, regulations and standards related to environmental (including climate), social and governance matters are likely to impose additional costs on us, expose us to new risks and subject us to increasing scrutiny. Any of the foregoing could have a material adverse effect on our business, financial condition or results of operations. The Company may be subject to investigations or fines from governmental authorities, including under FCC rules and policies, or delays in our renewal and other applications with the FCC. FCC rules prohibit the broadcast of obscene material at any time and indecent or profane material on television or radio broadcast stations between the hours of 6 a. m. and 10 p. m. The FCC has indicated that, in addition to issuing fines to licensees, it would consider initiating license revocation proceedings for ~~"~~**“** serious ~~"~~**”** indecency violations. We air a significant amount of live news reporting and live sports coverage on our broadcast television stations and networks and a portion of our content is under the control of our on- air talent. The Company cannot predict whether information delivered by our stations and on- air talent could violate FCC rules related to indecency, which had been found to be unconstitutionally vague by the U. S. Supreme Court, especially given the spontaneity of live news and sports programming. Violation of the FCC ~~'~~**’** s indecency rules could subject us to government investigation, penalties, license revocation, or renewal or qualification proceedings, which could have a material adverse effect on our business, financial condition ~~and~~ **or** results of operations. The Communications Act and FCC regulations limit the ability of non- U. S. citizens and certain other persons to invest in us. The Company owns broadcast station licensees in connection with its ownership and operation of U. S. television stations. Under the Communications Act of 1934, as amended, which we refer to as the Communications Act, and the FCC rules, without the FCC ~~'~~**’** s prior approval, no broadcast station licensee may be owned by a corporation if more than 25 % of its stock is owned or voted by non- U. S. persons, their representatives, or by any other corporation organized under the laws of a foreign country. The Company ~~'~~**’** s amended and restated certificate of incorporation authorizes the Board of Directors to take action to prevent, cure or mitigate the effect of stock ownership above the applicable foreign ownership threshold, including: refusing to permit any transfer of Common Stock to or ownership of Common Stock by a non- U. S. stockholder; voiding a transfer of Common Stock to a non- U. S. stockholder; suspending rights of stock ownership if held by a non- U. S. stockholder; or redeeming Common Stock held by a non- U. S. stockholder. We are currently in compliance with applicable U. S. law and continue to monitor our foreign ownership based on our assessment of the information reasonably available to us, but we are not able to predict whether we will need to take action pursuant to our amended and restated certificate of incorporation. The FCC could review the Company ~~'~~**’** s compliance with applicable U. S. law in connection with its consideration of the Company ~~'~~**’** s renewal applications for licenses to operate the broadcast stations the Company owns. The failure or destruction of satellites or transmitter facilities the Company depends on to distribute its programming could materially adversely affect its businesses and results of operations, as could changes in FCC regulations governing the availability and use of satellite transmission spectrum. The Company uses satellite systems to transmit its broadcast and cable networks to affiliates. The distribution facilities include uplinks, communications satellites and downlinks. Transmissions may be disrupted as a result of local disasters, including extreme weather, that impair on- ground uplinks or downlinks, or as a result of an impairment of a satellite. Currently, there are a limited number of communications satellites available for the transmission of programming. If a disruption occurs, failure to secure alternate distribution facilities in a timely manner could have a material adverse effect on the Company ~~'~~**’** s ~~businesses~~ -- **business** and results of operations. Each of the Company ~~'~~**’** s television stations and cable networks uses studio and transmitter facilities that are subject to damage or destruction. Failure to restore such facilities in a timely manner could have a material adverse effect on the Company ~~'~~**’** s businesses and results of operations. Further, changes in FCC regulations have reduced the availability and use of satellite transmission spectrum. In 2020, the FCC began reallocating and ~~"~~**“** re- packing ~~"~~**”** a band of satellite transmission spectrum known as the ~~"~~**“** C- Band ” used by the television industry to transmit programming in order to free up spectrum for the next generation of commercial wireless broadband services. This has reduced the availability and use of satellite transmission spectrum for the television industry, and additional changes in FCC regulations could lead to further reductions. The decreased availability of satellite transmission spectrum could diminish the quality of and increase interference to our transmissions, which could significantly hinder the Company ~~'~~**’** s ability to deliver its programming to broadcast affiliates and traditional MVPDs. The Company could be subject to significant tax liabilities. We are subject to taxation in U. S. federal, state and local, as well as certain international jurisdictions. Changes in tax laws, regulations, practices or the interpretations thereof (including changes in legislation currently being considered) could adversely affect the Company ~~'~~**’** s results of operations or its tax assets. Judgment is required in evaluating and estimating our provision and accruals for taxes. In addition, transactions occur during the ordinary course of business or otherwise for which the ultimate tax determination is uncertain. Tax returns are routinely audited, tax-related litigation or settlements may occur, and certain jurisdictions may assess income tax liabilities against us. The final outcomes of tax audits, investigations, and any related litigation could result in materially different tax recognition from our historical tax provisions and accruals. These outcomes could conflict with private letter rulings, opinions of counsel or other interpretations provided to the Company. If these matters are adversely resolved, we may be required to recognize additional charges to our tax provisions and pay significant additional amounts with respect to current or prior periods or our taxes in the future could increase, which could have a material adverse effect on our financial condition or results of operations. Unfavorable litigation or governmental investigation results could require us to pay significant amounts or lead to onerous operating procedures. We are subject from time to time to ~~a number of~~ lawsuits, including claims relating to competition, intellectual property rights, employment and labor matters, personal injury and property damage, free speech, customer privacy, regulatory requirements, and advertising, marketing and selling practices. **See Note 14, “ Commitments and Contingencies, ” to the accompanying consolidated financial statements included in this Form 10- K for a discussion of certain of these matters. The Company has incurred significant expenses defending against the defamation and disparagement matters described in Note 14, including the payment of approximately $ 800 million to settle the Dominion matter and a related lawsuit in April 2023. The Company continues to believe the Smartmatic and other lawsuits alleging defamation or disparagement as well as related derivative lawsuits are without merit and intends to defend against them vigorously, including through any appeals. However, the outcome of these pending matters is subject to significant uncertainty, and it is possible that an adverse resolution of one or more of these pending matters could result in reputational harm and / or significant monetary damages, injunctive relief or settlement costs. 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.** Greater constraints on the use of arbitration to resolve certain ~~of these~~ disputes could adversely affect our business. We also spend substantial resources complying with various regulatory and government standards, including any related investigations and litigation. We may incur **additional** significant expenses **in the future** defending **against** any **lawsuit** ~~such suit~~ or government charge and may be required to pay amounts or otherwise change our operations in ways that could adversely impact our businesses, results of operations ~~or~~ **,** financial condition **or cash flows. In addition, regardless of merit**

or outcome, litigation and government investigations are time- consuming and costly to defend, divert management’ s attention and resources away from our business, may result in reputational harm and may impair our ability to conduct our business . Risks Relating to Our Ownership Structure 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, 21CF 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, including our Chair, K. Rupert Murdoch, who serves as News Corp ~~'~~**’** s Executive Chairman, and our Executive Chair and Chief Executive Officer, Lachlan K. Murdoch, who serves as News Corp ~~'~~**’** s Co- Chairman. 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, as well as certain of our stockholders, including K. Rupert Murdoch, certain members of his family and certain family trusts (so long as such persons continue to own, in the aggregate, 10 % or more of the voting stock of each of News Corp and the Company), each of which we refer to as a covered stockholder, are or 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, 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 could result in an overlapping person submitting any corporate opportunities to News Corp instead of us. Certain provisions of the Company ~~'~~**’** s amended and restated certificate of incorporation, amended and restated by- laws, Delaware law ~~, the Company' s stockholder rights agreement,~~ and the ownership of the Company ~~'~~**’** s Common Stock by the Murdoch Family Trust may discourage takeovers and the concentration of ownership will affect the voting results of matters submitted for stockholder approval. The Company ~~'~~**’** s amended and restated certificate of incorporation and amended and restated by- laws contain certain anti- takeover provisions that may make more difficult or expensive a tender offer, change in control, or takeover attempt that is opposed by the Company ~~'~~**’** s Board of Directors or certain stockholders holding a significant percentage of the voting power of the Company ~~'~~**’** s outstanding voting stock. In particular, the amended and restated certificate of incorporation and amended and restated by- laws provide for, among other things: • a dual class common equity capital structure, in which holders of FOX Class A Common Stock can vote only in very specific, limited circumstances; • a prohibition on stockholders taking any action by written consent without a meeting (unless there are three record holders or fewer); • special stockholders ~~'~~**’** meeting to be called only by a majority of the Board of Directors, the Chair or vice or deputy chair, or upon the written request of holders of not less than 20 % of the voting power of our outstanding voting stock; • the requirement that stockholders give the Company advance notice to nominate candidates for election to the Board of Directors or to make stockholder proposals at a stockholders ~~'~~**’** meeting; • the requirement of an affirmative vote of at least 65 % of the voting power of the Company ~~'~~**’** s outstanding voting stock to amend or repeal our amended and restated by- laws; • restrictions on the transfer of the Company ~~'~~**’** s shares; and • the Board of Directors to issue, without stockholder approval, preferred stock and series common stock with such terms as the Board of Directors may determine. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control of the Company, even in the case where a majority of the stockholders may consider such proposals desirable. Further, as a result of his ability to appoint certain members of the board of directors of the corporate trustee of the Murdoch Family Trust, which beneficially owns less than one percent of the outstanding FOX Class A Common Stock and ~~42~~ **43** . ~~1~~ **39** % of FOX Class B Common Stock, K. Rupert Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. K. Rupert Murdoch, however, disclaims any beneficial ownership of these shares. Also, K. Rupert Murdoch beneficially owns or may be deemed to beneficially own an additional ~~approximately~~ **less than** one percent of FOX Class A Common Stock and less than one percent of FOX Class B Common Stock. Thus, K. Rupert Murdoch may be deemed to beneficially own in the aggregate ~~approximately~~ **less than** one percent of FOX Class A Common Stock and ~~42~~ **43** . ~~7~~ **99** % of FOX Class B Common Stock. This concentration of voting power could discourage third parties from making proposals involving an acquisition of the Company. Additionally, the ownership concentration of FOX Class B Common Stock by the Murdoch Family Trust increases the likelihood that proposals submitted for stockholder approval that are supported by the Murdoch Family Trust will be adopted and proposals that the Murdoch Family Trust does not support will not be adopted, whether or not such proposals to stockholders are also supported by the other holders of FOX Class B Common Stock. ~~Furthermore, the adoption of the stockholder rights agreement prevents, unless the Company' s board of directors otherwise determines at the time, other potential stockholders from acquiring a similar ownership position in the Company' s Class B Common Stock and, accordingly, could prevent a meaningful challenge to the Murdoch Family Trust' s influence over matters submitted for stockholder approval.~~ The Company ~~'~~**’** s Board of Directors has approved a $ ~~4~~ **7** billion stock repurchase program for the FOX Class A Common Stock and FOX Class B Common Stock, which **has and in the future** could increase the percentage of FOX Class B Common Stock held by the Murdoch Family Trust. The Company has entered into a stockholders agreement with the Murdoch Family Trust pursuant to which the Company and the Murdoch Family Trust have agreed not to take actions that would result in the Murdoch Family Trust and Murdoch family members together owning more than 44 % of the outstanding voting power of the shares of FOX Class B Common Stock or would increase the Murdoch Family Trust ~~'~~**’** s voting power by more than 1. 75 % in any rolling 12- month period. The Murdoch Family Trust would forfeit votes to the extent necessary to ensure that the Murdoch Family Trust and the Murdoch family collectively do not exceed 44 % of the outstanding voting power of the Class B Common Stock, except where a Murdoch family member votes their own shares differently from the Murdoch Family Trust on any matter. Risks Related to the Company ~~'~~**’**s Separation from 21CF The indemnification arrangements the Company entered into with 21CF in connection with the Transaction may require the Company to divert cash to satisfy indemnification obligations to 21CF. The indemnification from 21CF may not be sufficient to insure the Company against the full amount of liabilities that have been allocated to 21CF. Pursuant to the agreements the Company and 21CF entered into in connection with the Transaction, 21CF will indemnify the Company for certain liabilities and the Company will indemnify 21CF for certain liabilities. Payments pursuant to these indemnities may be significant and could negatively impact our business. Third parties could also seek to hold the Company responsible for any of the liabilities of the businesses that were retained by 21CF in connection with the Transaction. 21CF has agreed to indemnify the Company for such liabilities, but such indemnity from 21CF may not be sufficient to protect the Company against the full amount of such liabilities, and 21CF may not be able to fully satisfy its indemnification obligations. Moreover, even if the Company ultimately succeeds in recovering from 21CF any amounts for which it is held liable, the Company may be temporarily required to bear these losses itself. ~~Each of these~~ **These** risks could negatively affect our business, financial condition, results of operations ~~and~~ **or** cash flows. The Company could be liable for income taxes owed by 21CF. Each member of the 21CF consolidated group, which, prior to the Transaction, included 21CF, the Company 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 other member of the consolidated group for periods prior to and including the Transaction. Consequently, the Company could be liable in the event any such liability is incurred, and not discharged, by any other member of what was previously the 21CF consolidated group. The tax matters agreement entered into in connection with the Transaction requires 21CF and / or Disney to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the taxing authorities in amounts that the Company cannot quantify.