

Chat with the tool

Who are the parties involved in the agreement?

The parties involved in the agreement are:

Twenty-First Century Fox, Inc. (referred to as the Seller), a Delaware corporation with its principal office at 1211 Avenue of Americas, New York, USA. They are the seller of the Sky News assets.

The Walt Disney Company (referred to as the Purchaser), a Delaware corporation with its principal office at 500 South Buena Vista Street, Burbank, California, USA. They are the purchaser acquiring Sky News.

These details are specified at the beginning of the agreement.

What regulatory bodies had to approve this transaction before completion? Answer shortly

The regulatory bodies that had to approve the transaction include the Irish Competition and Consumer Protection Commission (CCPC), the Austrian Supreme Cartel Court, and other approvals as agreed in writing by the Secretary of State, along with any necessary approvals under the Listing Rules,, and related conditions.

What warranties does the Seller provide regarding its authority and compliance with law?

The Seller warrants that it has the necessary power and authority to enter into and perform its obligations under the transaction documents, has taken all required corporate actions to authorise such execution and performance, and that the agreement and transaction documents constitute valid and binding obligations,,. Additionally, the Seller warrants that it is incorporated legally and is in compliance with applicable laws with no material violations or defaults, as evidenced by its compliance and the absence of notices of violation from governmental or regulatory bodies.

What events must occur before the sale and purchase of shares can be completed?

The completion of the sale and purchase of the shares is conditional upon several events, known as Conditions Precedent, which include:

The Sky News Business Transfer must have occurred. |

The Fox/Sky Transaction Closing Date must have occurred.

If required under the Listing Rules, Sky shareholders who are not related parties must pass a resolution at a duly convened meeting to approve the transactions contemplated by the agreement.

Necessary regulatory approvals must have been obtained, including the Irish Competition and Consumer Protection Commission (CCPC) informing the parties that it has no objection pursuant to the Irish Competition Act 2002.

These conditions must be satisfied or waived before the sale and purchase can proceed to completion.

How is the “Long Stop Date” defined, and what happens if conditions are not met by that date?

The "Long Stop Date" is defined as the date specified in clause 3 of the agreement, which is the deadline by which the Conditions Precedent must be satisfied or waived for the transaction to proceed.

If not all Conditions are satisfied or waived by the Long Stop Date, the agreement stipulates that:

Most provisions of the agreement (except for certain specified clauses and Schedule 5) will lapse and cease to have effect.

The lapse of these provisions does not affect any existing rights or liabilities of either party regarding damages for non-performance of obligations that arose prior to such lapse and cessation.

In essence, failure to satisfy the Conditions by the Long Stop Date results in the termination or inoperability of most of the agreement's provisions, effectively ending the transaction process unless earlier conditions are met or waived.

What assurances does Disney (Purchaser) provide to 21st Century Fox? answer shortly

Disney (the Purchaser) undertakes to maintain the Company's operating investment at a level not materially different from the specified "Disney Financial Envelope" for 5 years after completion, and for up to ten years, maintain this level, ensuring continuity and stability post-transaction.

What conflicts of law or contracts must the Purchaser avoid when entering this deal?

The Purchaser must ensure that its actions do not conflict with or cause a default under any agreement or instrument to which it is a party, nor violate its constitutional documents, laws, liens, leases, orders, judgments, awards, injunctions, decrees, or regulations, and must have all necessary authorizations and filings in place.

What happens if assets belonging to the wrong entity are discovered after completion?

If assets belonging to the wrong entity (specifically, assets owned by a member of the Seller's Group but used primarily in the Sky News Business) are discovered within 12 months after Completion, the Purchaser is required to promptly notify the Seller. Upon receipt of this notice, the Seller shall procure that the relevant Seller's Group member transfers its interest in such assets, free from any encumbrance, to the Company or another specified member of the Purchaser's Group at no additional consideration. Similarly, the Seller is responsible for ensuring that assets used primarily in the Non-Sky News Business, which are owned by the Company, are transferred to the Seller's Group if identified within 12 months after Completion.