

Notice of Annual General Meeting 2014



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Notice of Annual General Meeting

To be held at:

The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster,
London SW1P 3EE on Friday, 21 November 2014 at 2.00pm.

This document is important and requires your immediate attention.

If you are in doubt about its contents or the action you should take, you are recommended to seek your own personal financial advice without delay from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or transferred all your Ordinary Shares in the Company, please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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Chairman's letter

Dear Shareholder,

Annual General Meeting

This year's Annual General Meeting ('AGM') is to be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Friday, 21 November 2014 at 2.00pm. The Notice of AGM, which follows this letter, sets out the business to be considered at the meeting. The purpose of this letter is to explain certain elements of that business to you.

Resolution 1

Annual report

The Directors will present the Company's Annual Report and Accounts for the financial year ended 30 June 2014 (the '2014 Annual Report'). To meet changes in UK legislation, the Company has produced a Strategic Report for the first time this year. The Strategic Report contains a review of the Company's business and a description of the principal risks and uncertainties facing the Company. The Strategic Report has replaced the Business Review, which was previously included in the Directors' Report, whilst introducing new reporting requirements on areas such as environmental matters, and social, community and human rights issues.

Resolution 2

Final dividend

A final dividend for the year ended 30 June 2014 of 20.0 pence per Ordinary Share is recommended by the Directors which, together with the interim dividend of 12.0 pence, paid to shareholders on 22 April 2014, represents a 7% increase in the full year dividend to 32.0 pence per Ordinary Share. It is proposed that shareholders declare this final dividend by passing this Resolution. If so declared the final dividend will be paid on 5 December 2014 to shareholders who are on the register at the close of business on 14 November 2014.

Resolutions 3 and 4

Remuneration Report

These resolutions seek shareholder approval for the Directors' Remuneration Report – Our Remuneration Policy (the 'Policy Report') and the Directors' Remuneration Report – Annual Remuneration Implementation Report (the 'Annual Report on Remuneration'), which together form the Directors' Remuneration Report in its entirety. The Directors' Remuneration Report can be found on pages 59 to 76 of the 2014 Annual Report. Regulations that came into force on 1 October 2013 require the Company to offer shareholders a binding vote to approve the Policy Report (i) at least once every three years, or (ii) on a more frequent basis if changes to it are proposed. These regulations also require the Company to offer shareholders a separate annual advisory vote on the Annual Report on Remuneration.

Resolution 3 seeks shareholder approval for the Policy Report which can be found on pages 60 to 66 of the 2014 Annual Report. The Policy Report sets out the Company's proposed policy for Directors' remuneration, including the setting of the Directors' pay and the granting of share awards. If approved by shareholders, the Policy Report will become effective immediately following the AGM and any payment not in line with the approved Policy Report will require a separate ordinary resolution to be put to a general meeting. Any future changes to the policy will also require further shareholder approval. If the Policy Report is not approved by shareholders, the Company will seek shareholder approval for a revised policy as soon as practicable.

Resolution 4 seeks shareholder approval for the Annual Report on Remuneration, which can be found on pages 67 to 76 of the 2014 Annual Report. The Annual Report on Remuneration gives details of the payments and share awards made to the Directors in connection with their performance and that of the Company during the year ended 30 June 2014. If the Annual Report on Remuneration is not approved by shareholders, the Company will be required to put the Policy Report to shareholders again at next year's annual general meeting.

Resolution 5 to 18 (Inclusive)

Reappointment of Directors

The UK Corporate Governance Code (the 'Code') recommends that all Directors stand for annual election. In compliance with the Code, all Executive and Non-Executive Directors will retire and, with the exception of Andy Higginson, offer themselves for reappointment at the AGM.

Resolutions 8 to 14 relate to the re-election of Tracy Clarke, Martin Gilbert, Adine Grate, Dave Lewis, Matthieu Pigasse, Danny Rimer and Andy Sukawaty (the 'Independent Non-Executive Directors') who are the Directors that the Board has determined are independent directors for the purposes of the Code.

Further information relating to the experience, skills and background of each of the Directors offering themselves for reappointment can be found on pages 5 and 6. Additional information about the independence of the Independent Non-Executive Directors, as required by the Listing Rules relating to controlling shareholders, is set out on page 7 of this circular.

The Company is, for the first time at the AGM, required to comply with new provisions of the UK Listing Rules (the 'Listing Rules') introduced this year relating to controlling shareholders and the re-election of the Independent Non-Executive Directors of the Company. For the purposes of the Listing Rules, Twenty-First Century Fox, Inc. ('21CF') is a controlling shareholder of the Company, as a result of it exercising or controlling more than 30% of the voting rights of the Company (and for this purpose, references to 21CF include the wholly owned subsidiaries of 21CF who have an interest in the shares of the Company). As such, the election or re-election of any independent director by shareholders must be approved by a majority vote of both;

- (1) the shareholders of the Company; and
- (2) the independent shareholders of the Company (that is the shareholders of the Company entitled to vote on the election of directors who are not controlling shareholders of the Company).

Resolutions 8 to 14 are therefore being proposed as ordinary resolutions which all shareholders may vote on, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of the resolution (as a proportion of the total votes of independent shareholders cast on the resolution) to determine whether the second threshold referred to in (2) above has been met. The Company will announce the results of resolutions 8 to 14 on this basis as well as announcing the results of the ordinary resolutions of all shareholders.

Under the Listing Rules, if a resolution to re-elect an independent director is not approved by majority vote of both the shareholders as a whole and the independent shareholders of the Company at the AGM, a further resolution may be put forward to be approved by the shareholders as a whole at a general meeting which must be held more than 90 days after the date of the first vote but within 120 days of the first vote. Accordingly, if any of Resolutions 8 to 14 are not approved by a majority vote of the Company's independent shareholders at the AGM, the relevant Director(s) will be treated as having been re-elected only for the period from the date of the AGM until the earlier of (i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM but within 120 days of the AGM, to propose a further resolution to re-elect him or her, (ii) the date which is 120 days after the AGM and (iii) the date of any announcement by the Board that it does not intend to hold a second vote.

In the event that the director's re-election is approved by a majority vote of all shareholders at a second meeting, the director will then be re-elected until the next AGM.

Andy Higginson will retire from the Board at the AGM in line with corporate governance best practice having served on the Board for ten years. He will also retire as Senior Independent Director, Chairman of the Corporate Governance & Nominations Committee and as a member of the Audit Committee. I would like to thank Andy for his outstanding contribution to the Company during his tenure. The Corporate Governance & Nominations Committee are in the process of identifying a suitable candidate for the Senior Independent Director role and an announcement will be made in due course.

Resolution 20

Political donations

Resolution 20 is designed to deal with the rules on political donations contained in the Companies Act 2006 (the '2006 Act'). The Company has no intention either now or in the future of making any political donation or incurring any political expenditure. Under the 2006 Act rules, political donations to any political parties, independent election candidates or political organisations, or the incurring of political expenditure, are prohibited unless authorised by shareholders in advance. What constitutes a political donation, a political party, a political organisation, or political expenditure is not easy to determine, as the legislation is capable of wide interpretation.

Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this. Therefore, notwithstanding that we have no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, as in previous years the Board has decided to put forward this Resolution to renew the authority granted by shareholders at the annual general meeting of the Company held on 22 November 2013. This will allow the Company to continue to support the community and put forward its views to wider business and Government interests without running the risk of being in breach of the law.

This authority will cover the period beginning with the date of the passing of this Resolution and ending on 31 December 2015 or, if sooner, the conclusion of the annual general meeting of the Company in 2015. As permitted under the 2006 Act, the Resolution also covers any political donations made, or political expenditure incurred, by any subsidiaries of the Company.

Resolution 21

Allotment of share capital

At the annual general meeting of the Company held on 22 November 2013, the Directors were given authority to allot Ordinary Shares up to a maximum nominal amount of £262,000,000 representing approximately 33% of the Company's then issued ordinary share capital. This authority expires at the end of the AGM on 21 November 2014.

Your Board considers it appropriate that a further similar authority be granted to allot Ordinary Shares up to a maximum nominal amount of £286,502,871 (representing approximately 33% of the Company's issued ordinary share capital as at 20 October 2014 being the latest practicable date prior to publication of this circular) in the period up to the conclusion of the Company's annual general meeting in 2015 (at which time this authority will lapse). As at the date of this circular, the Company does not hold any Ordinary Shares in treasury. The Directors have no present intention of exercising this authority.

Resolution 22

Disapplication of statutory pre-emption rights

This Resolution will empower the Directors to allot Ordinary Shares for cash, pursuant to the authority granted by Resolution 21, on a non-pre-emptive basis (a) in connection with a rights issue or open offer and (b) (otherwise than in connection with a rights issue or open offer) up to a maximum nominal value of £42,975,430 representing approximately 5% of the issued ordinary share capital of the Company as at 20 October 2014 (being the latest practicable date prior to publication of this circular) in the period up to the conclusion of the Company's annual general meeting in 2015.

Resolution 23

Change of company name

This Resolution seeks shareholder approval to change the Company's name to Sky plc reflecting the increasing international scope of the business following the announcement of the proposed acquisition of Sky Italia S.r.l and a majority of Sky Deutschland AG. If approved by shareholders, the change of name will become effective after the necessary regulatory filings have been made.

Resolution 24

Length of notice of meeting

Resolution 24 is to allow the Company to hold general meetings (other than annual general meetings) on 14 days' notice. Under the 2006 Act, the minimum notice period for listed company general meetings is 21 days, but with an ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that certain conditions are met. One condition is that the company offers a facility for shareholders to vote by electronic means. This condition is met if the company offers a facility allowing members to appoint a proxy by means of a website. The Company provides this facility (please refer to 'Action to be taken' on page 4 and to note 6 to the notice of meeting on page 10 of this document for details of the Company's arrangements for electronic proxy appointment). The other condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

Your Board is therefore proposing Resolution 24 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than annual general meetings. The approval will be effective until the conclusion of the annual general meeting of the Company in 2015.

Action to be taken

A Form of Proxy for use by shareholders in connection with the AGM will be posted to all shareholders who appeared on the register of members at the close of business on 9 October 2014, being the latest practicable date prior to publication of the Form of Proxy. Electronic Proxy Appointment (EPA) is available for the AGM. EPA enables Shareholders to lodge their proxy appointment by electronic means via a website provided by the Company's registrar, Equiniti Limited (the Registrar), at www.sharevote.co.uk. CREST members may use the CREST EPA service to submit their proxy appointment in respect of the AGM. Further information regarding the appointment of proxies and voting can be found on page 10 of this document. Please note that all proxy votes and appointments, whether postal or electronic, must be received by the Registrar by 2.00pm on 19 November 2014.

Voting at the AGM

Voting on all Resolutions at the AGM will be by way of a poll (please refer to note 14 to the notice of meeting on page 11 of this document for further details).

Recommendation

The Board believes that the adoption of Resolutions 1 to 24 will promote the success of the Company and is in the best interests of the Company and its Shareholders as a whole. The Board unanimously recommends that you vote in favour of Resolutions 1 to 24 as the Directors intend to do in respect of their own beneficial holdings which as at 20 October 2014 (being the latest practicable date prior to publication of this circular) amount in aggregate to 704,890 Ordinary Shares, representing approximately 0.041% of the Ordinary Shares currently in issue.

Yours faithfully,



Nick Ferguson
Chairman

21 October 2014

Directors seeking reappointment

Nick Ferguson, CBE (65) ♦●

Chairman

Nick was appointed to the Board as a Non-Executive Director in June 2004 and became Chairman in April 2012. Nick has previously served as Deputy Chairman and Senior Independent Non-Executive Director.

Experience

Nick brings extensive leadership experience from the private equity and investment sectors. Nick was co-founder and instrumental in the development of Schroder Ventures (the private equity group which later became Permira) of which he served as Chairman from 1984 to 2001. He later served as Chairman of SVG Capital plc, a public quoted private equity group, from April 2005 to November 2012. Nick has a long-standing interest in the arts and philanthropy and served as Chairman of the Courtauld Institute of Art for ten years before retiring in July 2012.

External Appointments

Nick is Chairman of Alta Advisers Limited, an investment advisory firm, a position he has held since January 2007. He is also Chairman and Founder of the Kilfinan Group which offers mentoring by Chairmen and CEOs to Heads of Charities.

Nick is a Fellow of Winchester College.

Jeremy Darroch (52)

Chief Executive Officer

Jeremy joined Sky as Chief Financial Officer and Executive Director in 2004 and was appointed to his current role in December 2007.

Experience

Jeremy has extensive experience in the retailing and fast-moving consumer goods sectors. Prior to joining Sky, Jeremy was Group Finance Director of DSG International plc (DSG), formerly Dixons Group plc. Prior to DSG, he spent 12 years at Procter & Gamble in a variety of roles in the UK and Europe. Jeremy is a former Non-Executive Director and Chairman of the Audit Committee of Marks and Spencer Group plc (2006-2013).

External appointments

In February 2014, Jeremy was appointed Non-Executive Director of Burberry Group plc and serves as a member of the Audit, Remuneration and Nominations committees.

Jeremy is a Business Member of the National Centre for Universities and Business.

Andrew Griffith (43)

Chief Financial Officer

Andrew joined Sky in 1999 and held a number of senior finance roles prior to his appointment as Chief Financial Officer and Executive Director in April 2008.

Experience

Prior to joining Sky, Andrew was at Rothschild, the investment banking organisation, where he provided financial and strategic advice to corporate clients in the technology, media and telecommunications sector. Andrew is a qualified chartered accountant and has a degree in law from Nottingham University.

External appointments

In March 2014, Andrew was appointed Non-Executive Director of Just Eat plc. He serves as Senior Independent Non-Executive Director, Chairman of the Audit Committee and member of the Remuneration and Nominations Committees.

Andrew is a member of the 100 Group of Finance Directors and Advisory Board of the Oxford University Centre for Business Taxation.

Tracy Clarke (47) ▲●†

Independent Non-Executive Director

Tracy joined the Board as a Non-Executive Director in June 2012. During the year, Tracy has led the Remuneration Committee through the changes in Directors' remuneration reporting and developing remuneration policy. In her role as Committee Chairman, Tracy has continued to engage and encourage dialogue with major shareholders and other advisory bodies.

Experience

Tracy brings a wide range of operational experience and oversight for corporate affairs, brand and marketing, media relations, human resources, legal and compliance matters in her role at Standard Chartered Bank. Tracy has served as a Non-Executive Director of SC First Bank in Korea (2005-2007) and Non-Executive Director of Eaga plc (2007-2011), where she chaired the Remuneration Committee.

External Appointments

Tracy is a member of the executive management group and is Director for Compliance, People and Communications at Standard Chartered Bank. Tracy is a trustee of WORKing for YOUth, a charity working with business to create job opportunities for young people. Tracy is a member of the Institute of Financial Services and a Fellow of the Chartered Institute of Personnel and Development.

Martin Gilbert (59) ■†

Independent Non-Executive Director

Martin was appointed to the Board as a Non-Executive Director in November 2011. Martin has continued to lead the Audit Committee through a number of financial reporting changes during the year.

Experience

Martin has extensive investment, finance and executive leadership experience through his role as co-founder and Chief Executive Officer of Aberdeen Asset Management PLC. Martin has served as Chairman of Firstgroup plc, Chaucer PLC and was Non-Executive Director of Dynmark International Limited, a mobile messaging and data applications services provider.

External Appointments

In addition to his role as Chief Executive Officer of Aberdeen Asset Management PLC, Martin is a member of the Scottish Government's Financial Services Advisory Board.

Adine Grate (53) ■●

Independent Non-Executive Director

Adine was appointed to the Board as a Non-Executive Director in July 2013. Adine is an active member of the Audit Committee and was recently appointed as a member of the Remuneration Committee. Adine's previous Non-Executive Director roles and experience enable her to add further breadth and depth to the skills of the Board.

Experience

Adine brings a wealth of executive, finance and investment management and communications technology experience having operated at the top tiers of Nordic based international business for the past two decades. Formerly Executive Vice President and Managing Director of Investor AB, owner of a number of Nordic based international companies.

External Appointments

Chairperson of NASDAQ OMX Swedish Listing Committee and Vice Chairperson of AP7, a Swedish pension and savings asset management company. Adine is a Director of: Three (Scandinavia), a mobile telecommunications and broadband operator; SOBI AB, an international speciality healthcare company; Sampo OY, a leading financial and insurance institution; and Swedavia AB, an airport operator. Adine is Chairperson of non-profit organisations; Friends of a Design museum and the Swedish Dance Museum.

Dave Lewis (49) ■▲◆

Independent Non-Executive Director

Dave was appointed to the Board as a Non-Executive Director in November 2012. Dave is an active member of the Audit, Corporate Governance & Nominations and Bigger Picture Committees and brings strong operational expertise to the work of the Board.

Experience

Dave is an experienced executive with strong operational expertise and prior to joining Tesco plc, in September 2014, he was President, Personal Care for Unilever plc, where he sat on the Unilever Leadership Executive. Dave has held a variety of leadership roles at Unilever in Europe, South America and Asia including President for the Americas and Chairman of Unilever UK and Ireland.

External Appointments

Dave is Chief Executive Officer of Tesco plc.

Key

- Audit Committee
- ▲ Bigger Picture Committee
- ◆ Corporate Governance & Nominations Committee
- Remuneration Committee
- † Committee Chairman

Matthieu Pigasse (46) ■

Independent Non-Executive Director

Matthieu was appointed to the Board as Non-Executive Director in November 2011. Matthieu brings significant knowledge of the European media sector and finance expertise to the Board and in his role as a member of the Audit Committee.

Experience

Matthieu is Deputy CEO of Lazard in France and Vice Chairman of Lazard in Europe. He has also served as civilian administrator of the French Ministry of Economy and Finance.

External Appointments

In addition to his role at Lazard, Matthieu has a number of interests in media and publishing, notably Le Monde and the Huffington Post (France). Matthieu is a Board member of Group Lucien Barrière SAS, an operator of luxury hotels and restaurants, Derichebourg, a recycling and maintenance services business and Relax News, a French news agency dedicated to leisure news.

Danny Rimer (44)

Independent Non-Executive Director

Danny was appointed to the Board as a Non-Executive Director in April 2008. Danny brings a wide-ranging knowledge and experience of media and internet sectors to the Board. In addition, Danny serves as a source of knowledge and expertise of Board matters to the newer members of the Board.

Experience

Danny brings significant international investment, finance experience and knowledge of internet infrastructure software and services, technology, communications and e-commerce businesses through his role as General Partner of the venture capital firm Index Ventures Management LLP (Index Ventures). Prior to joining Index Ventures, he was a General Partner of The Barksdale Group.

External Appointments

Danny serves on a number of boards including Etsy, Inc., First Dibs, Inc., Flipboard, Inc., FON Wireless Limited, Nasty Gal, Inc., RightScale, Inc. and Viagogo.

Andy Sukawaty (59) ●

Independent Non-Executive Director

Andy was appointed to the Board as a Non-Executive Director in June 2013. Andy brings strong telecommunications industry knowledge to the Board and is an active member of the Remuneration Committee.

Experience

Andy is Executive Chairman of Inmarsat plc, global mobile satellite communications provider, and has previously held a number of senior management positions in the telecommunications industry including; Chief Executive and President of Sprint PCS and Chief Executive of NTL (UK), and roles at US West and AT&T.

External Appointments

In addition to his role at Inmarsat plc, Andy is Non-Executive Chairman of the Supervisory Board of Ziggo N.V., a Dutch national media and communications company.

Chase Carey (60)

Non-Executive Director

Chase joined the Board as a Non-Executive Director in January 2013.

Experience

As President and Chief Operating Officer of Twenty-First Century Fox, Chase has extensive knowledge and experience of the international media and pay TV sectors. Chase is former President and Chief Executive Officer of DIRECTV, where he led the operations and strategic direction of the Direct TV Group. Prior to joining DIRECTV, he was Co-Chief Operating Officer of News Corporation (subsequently renamed Twenty-First Century Fox) and Chairman and Chief Executive Officer of the Fox Television Group.

External appointments

In addition to his role at Twenty-First Century Fox, Chase is a member of the Supervisory Board of Sky Deutschland AG.

David F. DeVoe (67)

Non-Executive Director

David joined the Board as a Non-Executive Director in December 1994.

Experience

David brings a wealth of executive and finance experience from the media sector. David served as Chief Financial Officer of News Corporation (subsequently renamed Twenty-First Century Fox) for over 20 years and during that time was appointed Senior Executive Vice President until he stepped down from both roles in June 2013. David is a former director of Gemstar-TV Guide (2001-2008) and DirectTV (2003-2008).

External Appointments

David is Senior Advisor and Director of Twenty-First Century Fox.

James Murdoch (41) ▲ †

Non-Executive Director

James was appointed to the Board as a Non-Executive Director in February 2003. He served as Chief Executive Officer and Executive Director (2003-2007) and as Chairman from 2007 until April 2012.

Experience

James is Co-Chief Operating Officer at Twenty-First Century Fox and brings significant media sector knowledge and experience. Between 2000 and 2003, he was Chairman and CEO of Star Group Limited and held Non-Executive Director roles at GlaxoSmithKline plc (2009-2012) and Sotheby's (2010-2012).

External Appointments

As Co-Chief Operating Officer James is a member of the Board of Directors and Executive Committee at Twenty-First Century Fox. He also serves as a member of the Board of News Corporation and is a Non-Executive Director of Yankee Global Enterprises.

Arthur Siskind (76) ◆

Non-Executive Director

Arthur was appointed to the Board as a Non-Executive Director in November 1991.

Experience

Arthur brings over 30 years' experience gained through executive and legal counsel roles at News Corporation (subsequently renamed Twenty-First Century Fox). Arthur is a highly experienced legal practitioner and member of the Bar of the State of New York since 1962.

External Appointments

Senior Advisor to the Chairman since January 2005 and Director Emeritus since October 2012 of Twenty-First Century Fox.

Key

- Audit Committee
- ▲ Bigger Picture Committee
- ◆ Corporate Governance & Nominations Committee
- Remuneration Committee
- † Committee Chairman

Additional information about the Independent Non-Executive Directors seeking reappointment

In accordance with the new requirements under the Listing Rules which apply to companies with a controlling shareholder (described on page 2), the Company is required to provide certain information in relation to the proposed re-election of the Independent Non-Executive Directors, being Tracy Clarke, Martin Gilbert, Adine Grate, Dave Lewis, Matthieu Pigasse, Danny Rimer and Andy Sukawaty. This includes details of any existing or previous relationship, transaction or arrangement the Independent Non-Executive Directors have with the Company, its directors, any controlling shareholder or an associate of a controlling shareholder, together with a description of why the Company considers the Independent Non-Executive Directors will be effective, how it has determined their independence and the process followed for their selection.

Relationships, transactions or arrangements

The Company has received confirmation from each of the Independent Non-Executive Directors who are seeking reappointment that, except as disclosed below in relation to Matthieu Pigasse, there is no existing or previous relationship, transaction or arrangement that the Independent Non-Executive Directors have or have had with the Company, its directors, any controlling shareholder or any associate of a controlling shareholder.

In 2007, the Company engaged Lazard & Co. Limited ('Lazard & Co.') in relation to a standalone corporate project (the 'Project'). Matthieu Pigasse is, and was in 2007, an employee of Lazard Frères SAS ('Lazard Europe') and acted as an advisor on the Project, four years prior to his appointment as a director of the Company in November 2011. Since Mr Pigasse's appointment as a director of the Company in November 2011, neither Lazard & Co. nor Lazard Europe have been engaged by the Company.

Lazard Europe acted as an advisor to Twenty-First Century Fox, Inc. ('21CF') (which, as described on page 2, is a controlling shareholder of the Company for the purposes of the Listing Rules) in relation to the transaction announced on 25 July 2014 regarding the acquisition of Sky Italia and a majority of Sky Deutschland (the 'Transaction'). Mr Pigasse was not a member of the team at Lazard Europe providing advice to 21CF. As described below, this relationship was taken into account when determining Mr Pigasse's independence.

Board Effectiveness

The Independent Non-Executive Directors bring a wide range of experience and expertise to the Group's affairs, and carry significant weight to the Board's discussions. The Independent Non-Executive Directors are encouraged to challenge management and help develop proposals on strategy. All of the Independent Non-Executive Directors have undergone an evaluation during the year which was carried out by Andy Higginson, Senior Independent Director.

The Corporate Governance and Nominations Committee (the 'Committee') has oversight of the process for board evaluation and reviews the findings of the evaluations. It considers that each of the Independent Non-Executive Directors continues to make a valued contribution through their experience, expertise and background. The information on pages 5 and 6 details the experience, knowledge and skills that each of the Independent Non-Executive Directors bring to the Board as a whole.

Independence

The Committee considers the independence of the Company's non-executive directors on an annual basis. The Committee takes into account whether the director is independent in character and judgement, and whether there are any relationships or circumstances that are likely to affect, or could appear to affect, the director's judgement.

Each Independent Non-Executive Director is asked to complete an independence questionnaire which is based on code provision B.1.1 of the Code. Following a review of the questionnaires, and taking into account whether there are any relationships or circumstances that are likely to

affect, or could appear to affect the director's judgement and whether the director is independent in character and judgement, the Committee recommended to the Board that there be no changes to the independent status of the current Independent Non-Executive Directors.

The potential conflict of interest arising from the appointment of Lazard Europe (Mr Pigasse's employer) by 21CF in relation to the Transaction was considered and approved by the Committee and the Board and was noted in the Company's Directors' Conflicts of Interest register. Mr Pigasse was excused from participating in meetings where the Transaction was discussed. The Committee and the Board determined that this potential conflict did not affect Mr Pigasse's status as an Independent Non-Executive Director.

Recruitment processes

The Committee keeps the Board's balance of skills, knowledge and experience and the length of service of individuals under constant review. In respect of succession planning and supplementing the skill set of the Board the Committee is responsible for the identification, evaluation and recommendation of candidates for appointment to the Board. There has been a formal process in place for a number of years and all of the current Independent Non-Executive Directors have been through the same selection process.

This process involves the Committee working with the Executive Directors and the wider Board to identify and agree the criteria for the appointment of any new independent non-executive director to the Board. Once agreed, the Chairman of the Committee engages with and briefs an external recruitment consultancy. The external recruitment consultancy is asked to draw up a list of potential candidates for the Committee to review. The Committee considers the list of potential candidates and agrees a shortlist for interview by the Chairman, CEO and other members of the Committee and Board as appropriate. Subject to agreement by the Committee, the Committee then recommends the proposed appointee to the Board for consideration.

Notice of Annual General Meeting

Notice is hereby given under the authority of the Board that the Annual General Meeting (AGM) of British Sky Broadcasting Group plc (the Company) will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Friday, 21 November 2014 at 2.00pm for the following purposes:

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 21, will be proposed as Ordinary Resolutions and Resolutions 22, 23 and 24 will be proposed as Special Resolutions.

1. To receive the financial statements for the year ended 30 June 2014, together with the reports of the Directors and Auditors thereon.
2. To declare a final dividend for the year ended 30 June 2014 of 20.0 pence for each ordinary share in the capital of the Company.
3. To approve the Directors' remuneration policy in the form set out in Directors' remuneration report in the Company's annual report and accounts for the year ended 30 June 2014.
4. To approve the Directors' remuneration report, other than the part containing the Directors' remuneration policy, in the form set out in the Company's annual report and accounts for the year ended 30 June 2014.
5. To reappoint Nick Ferguson as a Director.
6. To reappoint Jeremy Darroch as a Director.
7. To reappoint Andrew Griffith as a Director.
8. To reappoint Tracy Clarke as a Director.
9. To reappoint Martin Gilbert as a Director.
10. To reappoint Adine Grate as a Director.
11. To reappoint Dave Lewis as a Director.
12. To reappoint Matthieu Pigasse as a Director.
13. To reappoint Danny Rimer as a Director.
14. To reappoint Andy Sukawaty as a Director.
15. To reappoint Chase Carey as a Director.
16. To reappoint David F. DeVoe as a Director.
17. To reappoint James Murdoch as a Director.
18. To reappoint Arthur Siskind as a Director.
19. To reappoint Deloitte LLP as Auditors of the Company and to authorise the Directors to agree their remuneration.
20. That, in accordance with sections 366 and 367 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at the time at which this Resolution is passed or at any time during the period for which this Resolution has effect are generally and unconditionally authorised to:
 - (a) make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
 - (b) make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
 - (c) incur political expenditure, not exceeding £100,000 in total,

(as such terms are defined in the Companies Act 2006) during the period beginning with the date of the passing of this Resolution and ending on 31 December 2015 or, if sooner, the conclusion of the annual general meeting of the Company to be held in 2015, provided that the authorised sum referred to in paragraphs (a), (b) and (c) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the day on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day in which the Company enters into any contract or undertaking in relation to the same.
21. That the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (Rights) up to a maximum nominal amount of £286,502,871 (being approximately 33% of the issued ordinary share capital of the Company), provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2015, save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.
22. That,
 - (a) subject to the passing of Resolution 21 set out above, the Directors be empowered, pursuant to section 570 and section 573 of the Companies Act 2006, to allot equity securities, within the meaning of section 560 of that Act, for cash pursuant to the authority conferred by Resolution 21, as if section 561 (1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue; and
 - (ii) the allotment to any person or persons (otherwise than in connection with a rights issue) of equity securities up to an aggregate nominal amount of £42,975,430 (being approximately 5% of the issued ordinary share capital of the Company);

- (b) the power given by this resolution shall expire upon the expiry of the authority conferred by Resolution 21 set out above, save that the Directors shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired; and
- (c) for the purposes of this Resolution, 'rights issue' means a rights issue, open offer or other offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to their respective holdings of such equity securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements, of any recognised body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts or any other matter).
23. That the name of the Company be changed to Sky plc.
24. That until the conclusion of the annual general meeting of the Company in 2015, a general meeting of the Company, other than an annual general meeting of the Company, may be called on not less than 14 clear days' notice.

By Order of the Board,

Chris Taylor

Company Secretary

Registered Number: 2247735

Registered Office:

Grant Way

Isleworth

Middlesex TW7 5QD

21 October 2014

Important notes regarding your general rights as a Shareholder and your right to appoint a proxy and voting can be found on pages 10 to 12 of this document.

Notes

The following notes explain your general rights as a Shareholder and your rights to attend and vote at the AGM or to appoint someone else to vote on your behalf.

1. Only those persons entered in the Register of Members of the Company (the Register) as at 6.00pm on 19 November 2014 (the Specified Time) shall be entitled to attend or vote at the AGM in respect of the number of Ordinary Shares registered in their names at that time. Changes to entries on the Register for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

Should the AGM be adjourned, to be so entitled, members must have been entered on the Register by 6.00pm two days (excluding any part of a day that is not a working day) prior to the adjourned AGM or, if the Company gives notice of the adjourned AGM, at the time specified in such notice.
2. Any member of the Company who is unable or does not wish to attend the AGM is entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and vote on his behalf at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. Appointing a proxy does not prevent a member from attending and voting in person if he is entitled to do so and so wishes.
3. A Form of Proxy for use by members in connection with the AGM will be posted to all members who appeared on the Register at the close of business on 9 October 2014. Proxies may be appointed by completing a Form of Proxy and returning it in accordance with note 5 below (details of how to appoint a proxy are set out in the notes to the Form of Proxy). As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically in accordance with note 6. CREST members may appoint proxies using the CREST electronic proxy appointment service (see note 7).
4. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by the member. To do this a member must complete a separate Form of Proxy for each proxy or, if appointing multiple proxies electronically, follow the instructions given on the relevant electronic facility (see notes 6 and 7). Members can copy their original Form of Proxy, or additional Forms of Proxy can be obtained from Equiniti by telephone at 0871 384 2091 (lines are open Monday to Friday 8.30am to 5.30pm, excluding UK Bank Holidays; calls to this number cost 8p per minute plus network extras) or for overseas shareholders +44 (0) 121 415 7567. A member appointing more than one proxy should indicate on the relevant Forms of Proxy the number of shares for which each proxy is authorised to act on his or her behalf.
5. To be valid any Form of Proxy must be received by hand or by post at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours (excluding any part of a day that is not a working day) before the time of the AGM or any adjournment thereof. The deadline for receipt of proxy appointments also applies in relation to amended instructions. In determining the time for delivery of proxies, no account will be taken of any part of a day that is not a working day. Any power of attorney or any other authority under which the Form of Proxy is signed (or a certified copy of such authority) must be included with the Form of Proxy.
6. As an alternative to completing a hard copy Form of Proxy, a member can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting I.D., Task I.D. and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk.

Full instructions are given on both websites. The proxy appointment and instructions should reach Equiniti Registrars not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the AGM or any adjournment thereof. You are advised to read the terms and conditions of use carefully. Any electronic communication found to contain a computer virus will not be accepted.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. Any or all joint holders of shares may attend the AGM, although only one holder may vote in person or by proxy. In the case of joint holders, where more than one of the joint holders purports to vote or to appoint a proxy, only the vote or appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

10. If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
11. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the 2006 Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
12. Holders of the Company's American Depositary Shares (ADSs) evidenced by American Depositary Receipts may exercise their votes through the Depository, The Bank of New York Mellon. ADS holders wishing to attend the AGM should obtain prior authority by being nominated an 'Appointed Proxy' by the Depository. The Depository can be contacted at:
- BNY Mellon Depositary Receipts
PO Box 43006
Providence, RI 02940-3006 USA
US residents: (888) 269 2377
If resident outside the US: +1 201 680 6825
email: shrelations@bnymellon.com
13. Any person to whom this notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 2 and 3 does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.
14. Voting on all Resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the AGM, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website www.sky.com/corporate.
15. Members satisfying the thresholds in section 527 of the 2006 Act can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the last AGM, which the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.
16. Pursuant to section 319A of the 2006 Act, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
17. In accordance with section 311A of the 2006 Act, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.sky.com/corporate.
18. As at 20 October 2014 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consists of 1,719,017,230 Ordinary Shares, carrying one vote each. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company as at 20 October 2014 is 1,719,017,230.
19. Pursuant to Listing Rule 9.8.6(1), since 25 July 2014 (the date of the annual report and accounts), there have been changes to the Directors' beneficial holdings. As at 20 October 2014, the Directors' beneficial holdings are detailed below:
- | Director | Number of shares |
|------------------|------------------|
| Jeremy Darroch | 469,214 |
| Andrew Griffith | 144,896 |
| Nick Ferguson | 31,945 |
| Chase Carey | - |
| Tracy Clarke | 1,939 |
| David F. DeVoe | - |
| Dave Lewis | 3,673 |
| Martin Gilbert | 3,999 |
| Adine Grate | 9,194 |
| Andy Higginson | 7,731 |
| James Murdoch | - |
| Matthieu Pigasse | 4,087 |
| Danny Rimer | 26,779 |
| Arthur Siskind | - |
| Andy Sukawaty | 1,433 |
20. Pursuant to Listing Rule 9.8.6(2), since 25 July 2014 the Company has not received any notifications in accordance with Rule 5 of the Disclosure and Transparency Rules.
21. As at 20 October 2014 (being the latest practicable date prior to the publication of this notice), 21st Century Fox UK Nominees Limited, a subsidiary of Twenty-First Century Fox, Inc., held 672,776,643 Ordinary Shares representing 39.14% of the Company's issued share capital. A voting agreement was entered into between the Company, BSKyB Holdco Inc, Twenty-First Century Fox, Inc. and 21st Century Fox UK Nominees Limited on 21 September 2005 under which 21st Century Fox UK Nominees Limited agreed to exercise voting rights at any general meeting of the Company in respect of no more than 37.19% of the total issued share capital of the Company.
22. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

23. The following documents may be inspected at the registered office of the Company during normal business hours from the date of this notice to the date of the AGM (except Saturdays, Sundays and public holidays) and at the place of the AGM from 1.00pm until the conclusion of the AGM:

- Executive directors' service contracts;
- The terms and conditions of appointment of the Company's non-executive directors.

