

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the decision you should take, you are recommended to consult an independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or, if you are taking advice outside the United Kingdom, from another appropriately authorised independent financial adviser.

To: holders of options under Sky's UK Sharesave Schemes ("Options")

Summary of treatment under the Comcast Offer

You can exercise your Options to the extent of your savings, which means that you will acquire Sky Shares at the relevant discounted exercise price, and then sell them under the Comcast Offer for £14.75 each.

If you exercise your Options in accordance with this letter, you will also receive a Compensation Payment, subject to income tax and National Insurance deductions, equal to the additional gain you could have made had you been able to exercise your Options in full.

You can exercise your Options through the Sky Shares portal at www.myskyrewards.com via the "Shares" tile. You should submit your instructions by midday UK time on 7 September 2018 at the latest.

Please note that all instructions received are irrevocable; once your instruction has been submitted it may not be changed.

17 August 2018

Dear Participant,

1. BACKGROUND

On 11 July 2018, the board of Comcast Corporation and the Independent Committee of Sky plc ("**Sky**") announced they had agreed the terms of a recommended cash offer by Comcast Bidco Limited (an indirect, wholly-owned subsidiary of Comcast) ("**Comcast**") of £14.75 per Sky Share (the "**Comcast Offer**"). More information on the Comcast Offer is set out in Comcast's formal offer document to Sky Shareholders, which is available at skygroup.sky/corporate/investors/offers-for-sky/comcast-offer (the "**Comcast Offer Document**").

This letter explains the effect of the Comcast Offer on your Options and the action you need to take to exercise your Options and accept the Comcast Offer. We refer to this as a "Rule 15 letter", as Comcast is required under Rule 15 of the UK Takeover Code to make an appropriate offer to option holders of Sky.

2. A REMINDER OF THE UK SHARESAVE SCHEMES

Under Sky's UK Sharesave Schemes, you are currently saving a fixed monthly amount directly from your pay under a savings contract. You may have a three year and/or a five year savings contract. This letter applies to you irrespective of whether you have a three or five year savings contract. You may also participate in more than one UK Sharesave Scheme and have more than one Option. Ordinarily you would have been able to buy a specified number of Sky Shares at the end of the savings contract at a discounted exercise price. The exercise price was set at the time of each invitation to participate in the UK Sharesave Schemes.

3. IMPACT OF THE COMCAST OFFER ON YOUR OPTIONS UNDER THE SHARESAVE SCHEME

If the Comcast Offer becomes (or is declared) "wholly unconditional", your Options will become capable of exercise early. This would happen when the remaining completion conditions to the Comcast Offer are met (or are waived by Comcast). In particular, this means that the Comcast Offer first needs to be accepted by the holders of at least 50% of the voting shares in Sky. Regular updates on the Comcast Offer will be posted on today@sky. As Sky cannot confirm the date on which the Comcast Offer will

become wholly unconditional, you should return your instructions in relation to your Options as soon as possible.

So that you do not lose out by exercising your Options early as a result of the Comcast Offer, Comcast and Sky have agreed that you will receive a further payment, compensating you for the additional gain which you would have made had you been able to exercise your Options in full (the "**Compensation Payment**"). The Compensation Payment is only payable if you exercise your Options to the full extent of your current savings, your right of exercise has arisen as a result of the Comcast Offer, and you submit an Exercise Request (defined below) by 7 September 2018.

4. **WHAT ABOUT THE ALTERNATIVE OFFER FOR SKY?**

As you are aware, 21st Century Fox has also made an offer to acquire Sky Shares and you will receive a Rule 15 letter similar to this document from 21st Century Fox, setting out its proposals in respect of your Options.

Only one of Comcast's or 21st Century Fox's offers to acquire Sky Shares can ultimately become successful. However, unlike the holders of Sky's ordinary shares who can only approve one offer, as an Option holder you have the ability to accept the proposals under both Comcast and 21st Century Fox's offers. If you accept both sets of proposals only those made in connection with the winning offer will take effect. Your Options will become exercisable when the winning offer becomes successful.

5. **HOW DO I EXERCISE MY OPTIONS AND ACCEPT THE OFFER?**

You can exercise your Options and sell the Sky Shares you receive for £14.75 per Sky Share by accessing the Sky Shares portal via the 'Shares' tile at www.myskyrewards.com, and submitting an exercise request (the "**Exercise Request**") by midday UK time on 7 September 2018. Once you have done so you do not need to take any other action.

By submitting the Exercise Request your Options will be exercised once the Comcast Offer becomes wholly unconditional. The date on which the exercise will take effect will be determined by Sky to potentially allow you to make additional monthly savings contributions, but making sure that you can exercise your Options and sell your resulting Sky Shares under the Comcast Offer. More detail on how this date is worked out is set out below in Q11 of the FAQs.

6. **WHAT IF I HAVE FURTHER QUESTIONS?**

You will find attached to this letter some frequently asked questions, which you should review.

If, after reading these, you still have an outstanding query, please contact Link either by email at skycomcast@linkgroup.co.uk or by calling their Helpline on 0371 664 9268. Calls to 03 numbers are charged at the same standard network rates as 01 and 02 landline numbers, even when calling from a mobile. If you are calling from outside the UK calls will be charged at the applicable international rate. The Link Helpline is open from 9.00am to 5.30pm Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. For legal reasons Link cannot give any legal, financial or tax advice.

As a reminder, if the Comcast Offer becomes wholly unconditional you can exercise your Options to the extent of your savings and sell the Sky Shares you acquire under the Comcast Offer for £14.75 per Sky Share, and receive the Compensation Payment, by submitting an Exercise Request on the Sky Shares Portal **by midday UK time on 7 September 2018 at the latest.**

Please note that all instructions received are irrevocable; once your instruction has been submitted it may not be changed.

The Sky Independent Committee, which has been so advised by Morgan Stanley, PJT Partners and Barclays as to the financial terms of the Offer, considers the proposal to exercise your Options and accept the Comcast Offer, as set out in this letter, to be fair and reasonable. Morgan Stanley and Barclays

are providing independent financial advice to the Sky Independent Committee for the purposes of Rule 15(b) of the Code. In providing their financial advice to the Sky Independent Committee, Morgan Stanley, PJT Partners and Barclays have taken into account the commercial assessments of the Sky Independent Committee.

Accordingly, the Sky Independent Committee unanimously recommends that you exercise your Options and accept the Comcast Offer as set out in this letter.

Yours faithfully

Martin Gilbert
Deputy Chairman of Sky plc
Chairman of the Sky Independent Committee

Arthur R Block
Director
Comcast Bidco Limited

FREQUENTLY ASKED QUESTIONS

1. *How will I know about the progress of the Comcast Offer and when the Comcast Offer becomes “wholly unconditional”?*

Updates on the Comcast Offer will be posted on today@sky – please check this regularly. More information on the Comcast Offer is set out in the Comcast Offer Document, which is available at skygroup.sky/corporate/investors/offers-for-sky/comcast-offer.

2. *What do I need to do?*

What do I need to do?	Submit your exercise instruction between now and 7 September 2018 so that your Options are exercised once the Comcast Offer becomes wholly unconditional and the Sky Shares you receive are sold for £14.75 per Sky Share.
How do I submit my request?	Go to www.myskyrewards.com , click on the 'Shares' tile and follow the instructions for the Comcast Offer.
What will I receive and when would I receive it?	<ul style="list-style-type: none"> • £14.75 per Sky Share you are able to buy at the discounted exercise price. For Sharesave 2012-2016 payment will be made within 14 days from your exercise being processed, and for Sharesave 2017 through the next available payroll* or within 14 days of your exercise being processed, whichever is earlier; • the Compensation Payment, through the next available payroll (subject to tax and NICs); and • any residual amount due to you, within 7 days from the date of exercise.

* For Sharesave 2012-2016, the gains on exercise are free of income tax and National Insurance. Gains on the exercise of Sharesave 2017 are subject to income tax (see Question 16 *What are the Tax Consequences of Exercising My Options?* below).

Please see Question 13 *Do I have to submit the Exercise Request before the deadline? Can I wait for longer before I exercise my Options (and potentially make even more savings contributions)?* for information regarding what will occur if you do not submit an Exercise Request by 7 September 2018.

3. *Can you give me an example of how this will work and what I might receive if I choose to exercise?*

If the Comcast Offer becomes wholly unconditional, this will bring forward your ability to exercise a proportion of your Options. For Options granted in, or before, 2016, this exercise would be on a tax-free basis. However, you will only be able to use the savings you have made up to the date of exercise, which means you will not be able to buy and sell the full number of Sky Shares under your Options.

Whilst Exercise Requests should be submitted by 7 September 2018, the exact date on which the exercise will take effect will be determined by Sky to potentially allow you to make additional monthly savings contributions, but making sure that you can exercise your Options and sell your Shares under the Comcast Offer.

It has been agreed that if you submit an Exercise Request by 7 September 2018 to exercise your Options pursuant to the Comcast Offer, you will also receive the Compensation Payment. The Compensation Payment will be calculated by working out the gain that you would have made on each additional Sky Share that you would have been able to acquire had you been able to exercise your Options in full (i.e. £14.75 minus your Option's exercise price, multiplied by the number of Sky Shares you were unable to acquire). The Compensation Payment will be subject to income tax and National Insurance deductions.

For example, the payments could be as follows for a Sharesave you joined in 2016 and based on saving £100 per month under a three year savings contract, a notional discounted exercise price of £6.88, an offer price of £14.75, an original grant of 523 Sky Shares under Option exercisable at the Normal Maturity Date and an exercise 18 months into the savings contract:

Exercise and Sell (no tax or National Insurance*)		Compensation Payment ^ (subject to tax & National Insurance)	
<i>Savings</i>	£1,800 (18 months x £100)	<i>Number of Sky Shares unable to acquire</i>	262 (523 originally granted - 261 exercised)
<i>Number of Sky Shares able to acquire</i>	261 (£1,800 savings ÷ £6.88 exercise price)	<i>Gain per share</i>	£7.87 (£14.75 - £6.88 exercise price)
<i>Amount</i>	£3,849.75 (261 shares x £14.75)	<i>Amount pre-tax</i>	£2,061.94 (262 shares x £7.87 gain)
		<i>Tax due</i> (Basic Rate Taxpayer†)	£659.82 (£2,061.94 x 32%)
Total Payable (after tax and National Insurance): £5,251.87 (£3,849.75 + £1,402.12)			

* Please note that the gain on exercise of a 2017 Option will be subject to income tax. Please see Question 16 "What are the tax consequences of exercising my Options?" below. Capital Gains Tax may apply.

† In this example we have shown amounts for a basic rate tax payer in the UK excluding Scotland (i.e. tax is charged at 20% with 12% National Insurance). Different amounts will apply for higher and additional rate tax payers and for employees in Scotland.

^ Please note that the Compensation Payment is only payable if you submit your Exercise Request by 7 September 2018. It will not be payable if you submit your request after that date. It will also not be payable if you submit an Exercise Request following the maturity of your savings arrangements, as the Comcast Offer will not have reduced the number of Sky Shares that you were able to acquire under your Options. You will not lose out as a result of this, as the proceeds you receive for the sale of the Sky Shares will equal the value of the sale proceeds and Compensation Payment (subject to tax and National Insurance) you would receive if your savings arrangements had not matured.

4. Do I need to do anything in respect of my current monthly savings?

No. You do not need to take any action in respect of your current monthly savings and we will continue to make deductions from pay until your Options are exercised. In fact, if you were to stop your contributions your Options would, in due course, lapse and you may not be able to acquire Sky Shares.

If you save via standing order, once your Option has been exercised following the Comcast Offer becoming wholly unconditional you will need to stop your standing order or money will continue to be deducted from your account.

5. Do I need to provide any additional money to exercise my Options?

No. Your Options will be exercised using the savings you have made under the Sharesave Schemes. You therefore do not need to provide any other funds in order to exercise your Options.

6. If I want to exercise my Options, can I make additional monthly contributions into my savings account to increase the number of Sky Shares I can buy?

As the Comcast Offer is unlikely to remain open to acceptances for the duration of your six month exercise period, it is unlikely that you will be able to make the full five additional payments if you exercise your Options on the basis being recommended. It may however be possible to make one or more additional payments, dependent upon the date on which the Comcast Offer becomes wholly unconditional and whether Comcast extends the period over which the Comcast Offer remains open for acceptances (but this cannot be guaranteed). Provided that you submit an Exercise Request by 7 September 2018, Sky will exercise your Options at the latest possible date in order to ensure the

maximum savings contributions are included, but without taking a risk of waiting too long before exercising so as not to be able to accept the Comcast Offer and sell your Sky Shares. Please see Question 11 *If I submit an Exercise Request, when will my Options be exercised? How will my Sky Shares be sold?* and Question 3 *Can you give me an example of how this might work and what I might receive if I choose to exercise?* for more details. The Compensation Payment is designed to ensure that you do not lose out as a result of exercising early.

7. What are the discounted exercise prices?

The discounted exercise prices were set at the time you were invited to participate in Sharesave. They are:

- Sharesave 2012: **£6.08**
- Sharesave 2013: **£6.82**
- Sharesave 2014: **£7.08**
- Sharesave 2015: **£8.17**
- Sharesave 2016: **£6.88**
- Sharesave 2017: **£7.52**

8. What happens if the Comcast Offer never becomes wholly unconditional?

In this case the Comcast Offer would have no effect on your Options. If you have submitted an Exercise Request, it would have no effect. Instead, you would either continue to make savings and, in the normal course, your Options would become exercisable under the rules of the UK Sharesave Schemes or, if an alternative bid for Sky succeeds, your Options will be dealt with in accordance with separate proposals you may have received from an alternative bidder.

9. What happens if I do not exercise my Options?

If you do not submit an Exercise Request your Options will cease to be exercisable from the date six months after the date on which the Comcast Offer becomes wholly unconditional. If "squeeze out" (as described below) does not occur, your Options will not lapse on this date and you may carry on saving. Your Options would become exercisable again on the maturity of your savings arrangements in the ordinary course, unless your Options lapse earlier under the rules of the UK Sharesave Schemes.

If Comcast is able to serve a "squeeze-out" notice*, and you have not submitted an Exercise Request, your Options will become exercisable for a period of one month from the date the "squeeze-out" notice is served and will lapse at the end of this one month period if it has not been exercised. If your Options lapse, you will not be able to exercise your Options and sell the resulting Sky Shares or be eligible for the Compensation Payment. Instead, you will only be able to receive repayment of the savings you have made into your savings contract(s).

If your Options lapse in any of the circumstances described above, you will not be able to exercise them and receive £14.75 per Sky Share or the Compensation Payment, and will lose any value to which you are entitled.

**A "squeeze-out" notice can be served by Comcast if Sky Shareholders accept the Comcast Offer in respect of 90% of the Sky Shares subject to the Comcast Offer. A "squeeze-out" notice would require the remaining Sky shareholders to accept the Comcast Offer within six weeks, and any remaining Sky Shares would then be automatically acquired by Comcast at the end of that six-week period. You may not receive separate notice if this is the case.*

10. Why can't I exercise my Options in full?

The UK Sharesave Schemes are governed by specific tax legislation, which provides the applicable tax advantages, but also means that the Options under the UK Sharesave Schemes can only be exercised using savings made into your savings contract at the date of exercise. The legislation does not permit you to "top up" your savings as if you had saved until the Normal Maturity Date.

Comcast and Sky have agreed to pay you a Compensation Payment to address the fact that you are not able to save to the Normal Maturity Date and cannot 'top up' your savings.

11. *If I submit an Exercise Request, when will my Options be exercised? How will my Sky Shares be sold?*

Provided that you submit an Exercise Request by 7 September 2018, your Options will be exercised at the latest date which Sky considers it remains administratively practicable to exercise and accept the Comcast Offer whilst the Comcast Offer is guaranteed to remain open, whilst aiming to maximise the number of monthly savings contributions you can make.

The Comcast Offer is guaranteed to be open for 21 days after the date on which the Comcast Offer becomes wholly unconditional, and so the exercise might occur towards the end of this period. Alternatively, if before the end of this 21 day period it is announced that this period will be extended, your Option exercise would then occur towards the end of the extended period. It might be that an extension is only announced towards the end of the 21 day period, in which case your Options may have been exercised before the extension was announced (as at the time the Options was exercised it could not be guaranteed that the Comcast Offer would be extended).

If a "squeeze-out" notice is served before your Options are exercised, your Options may be exercised after the next savings contribution is credited to your account following the date of that notice if there is sufficient time to do so. Again, this is to allow you to potentially have additional savings contributions credited to your account before your Options are exercised. The benefit of having additional savings is that more of your pre 2017 Options can be exercised free from income tax and National Insurance contributions.

Working these dates out might be complicated, but you do not need to do it yourself: it will be done for you and your Options exercised accordingly if you submit the Exercise Request by the deadline. Whenever your Options are exercised, the Sky Shares you acquire will be sold to Comcast under the Comcast Offer.

Once your Options are exercised then the Zedra Trust Company (Guernsey) Limited, the trustee of the Sky Employee Share Ownership Plan (the "**Trustee**") will manage the process relating to the Sky Shares on your behalf. The Trustee will accept the Comcast Offer and your Sky Shares will then be purchased by Comcast for £14.75 each. The Trustee will receive this amount and will then arrange for it to be paid to you.

By submitting the Exercise Request you are also agreeing to the Trustee's terms and conditions, which are available on the Sky Shares portal.

12. *How will I receive the proceeds of the sale of my Sky Shares?*

You are likely to receive three separate payments in the month following the exercise of your Options in the following order:

- Any residual amount due to you, which will be returned to you directly by Link (e.g. if on exercise you have an amount of savings which does not purchase a full Sky Share at your exercise price). This will be paid to the bank details you have entered on the Sky Shares portal. If you do not enter any bank details, you will receive a cheque.
- The proceeds of the sale of your Sky Shares to Comcast. For Sharesave 2012-2016, this will be paid directly by Link to the bank details you have entered on the Sky Shares portal, otherwise you will receive a cheque to the address Link hold for you. For Sharesave 2017, this will be paid through the next available payroll or within 14 days of your exercise being processed, whichever is earlier, subject to deductions for income tax.
- The Compensation Payment, which will be paid to you through the next available payroll, subject to deductions for income tax and National Insurance.

13. Do I have to submit the Exercise Request before the deadline? Can I wait for longer before I exercise my Options (and potentially make even more savings contributions)?

You do not have to submit the Exercise Request by the deadline date of 7 September 2018. Your Options will become capable of exercise when the Comcast Offer becomes wholly unconditional and will then remain capable of exercise (in connection with the Comcast Offer) for six months, subject to the curtailment of this period if Comcast becomes able to serve a "squeeze-out" notice (as referred to at Q9 *What happens if I do not exercise my Options?* above).

Following the expiry of this six month period and provided that Comcast has not been able to serve a squeeze-out notice, your Options will cease to be exercisable. In such a case, you may carry on saving and, subject to the rules of the UK Sharesave Scheme, exercise your Options on the maturity of your savings arrangements in the ordinary course. If Comcast becomes eligible to serve a squeeze-out notice, your Options will lapse one month after such date if not exercised.

If you do not submit the Exercise Request you can instead wait, and keep making monthly savings, and then exercise during the exercise periods referred to above, or on the maturity of your savings arrangements, as described above. However if you choose this course of action, there is some important information you should know:

- **If you do not submit an Exercise Request by 7 September 2018, no Compensation Payment will be payable.**
- The only time you will be guaranteed to be able to sell your Sky Shares under the Comcast Offer is during the period of 21 days after the Comcast Offer becomes wholly unconditional. **If you are going to exercise your Options and accept the Comcast Offer during this period your Sky Shares will be sold on the same basis as if you submitted an Exercise Request.**
- After these 21 days, the Comcast Offer might be extended, in which case you might be able to exercise and sell your Sky Shares at a later date than if you had used the Exercise Request. **However, this cannot be guaranteed, and if the Comcast Offer is not extended, you will not be able to sell your Sky Shares under the Comcast Offer.** Further, to the extent it is able to do so, Comcast intends to apply to cancel the trading of Sky Shares on the London Stock Exchange, which means you might not be able to find another buyer for your Sky Shares either.
- You would be required to sell your Sky Shares if Comcast serves a "squeeze-out" notice (and if a "squeeze-out" notice is served before the Comcast Offer becomes wholly unconditional or during the 21 day period thereafter, you would be in the same position if you submitted an Exercise Request).
- If you do not submit an Exercise Request, your Options will cease to be exercisable if you fail to exercise them within the relevant period and may lapse. We may not be able to confirm to you in advance the date on which your Options will cease to be exercisable or lapse. **It is your responsibility to make sure that you exercise your Options in time.**
- If you do not submit an Exercise Request by the deadline date of 7 September 2018, you would need to contact Link to exercise your Options and you would also have to separately accept the Comcast Offer. You would need to make your own arrangements to do so, and make sure that you do so within the relevant period, otherwise you might lose the chance to sell your Sky Shares under the Comcast Offer.
- Options may lapse for reasons unconnected with the Comcast Offer, for example if you cease to be employed by Sky other than in a circumstance which allows you to continue to exercise your Options.
- If you do not exercise your Options in connection with the Comcast Offer, you will only be able to exercise them when they become exercisable in accordance with the rules of the UK Sharesave Schemes; this is likely to be on the maturity of your savings arrangements (unless Comcast is able to serve a squeeze-out notice).
- If you do not want to use the Exercise Request, and instead want to make your own arrangements to exercise your Options, you should contact Link either by email at skycomcast@linkgroup.co.uk or by calling their Helpline on 0371 664 9268.

14. What happens if I do not have access to the Sky Shares portal to submit an Exercise Request?

If you are unable to access the Sky Shares portal via today@sky, you can access it via the internet at www.skyemployeeeshares.com. You will need to enter your username, password and characters from your memorable word to login. If you have not previously registered for access, please follow these steps:

- Select 'Register' on the bottom right hand side of the home page
- Enter your Investor Code (available from Link), surname and enter your UK postcode
- Set up your username, password and memorable word for accessing your account in the future

Alternatively, you may request a personalised hard copy Exercise Form from Link by calling their Helpline (see What if I have further questions? on page 2) or emailing skycomcast@linkgroup.co.uk. If you are submitting instructions this way, you will need to return the relevant form to the address printed on the form so that it is received by no later than midday on 7 September 2018 in order to guarantee that your instructions are acted upon.

Please note that all instructions received are irrevocable; once your instruction has been submitted or returned it may not be changed.

15. What happens if I leave Sky?

The normal rules of the UK Sharesave Schemes in respect of leaving employment continue to apply both before and after the Comcast Offer becomes wholly unconditional. This means that your Options will either lapse or be capable of exercise in accordance with the rules, depending on your reason for leaving.

Please note that you will only receive the Compensation Payment if you submit your Exercise Request by the cut-off date of 7 September 2018 and, other than in certain good leaver circumstances referred to below, remain employed at the point the offer goes wholly unconditional.

Circumstances of your leaving	Effect on Options
Before the Comcast Offer becomes wholly unconditional where your Options lapse (for example on resignation) or have been exercised before the Comcast Offer became wholly unconditional.	This letter would stop being relevant to you and, even if you have submitted an Exercise Request, it would not have any effect. Your savings would be returned in full and you would not be eligible for the Compensation Payment.
Before the Comcast Offer becomes wholly unconditional in circumstances which allow you to exercise your Options, for example: <ul style="list-style-type: none">• injury or disability;• redundancy; or• retirement.	You will have six months from leaving to exercise before your Options lapse. Your exercise period will not be extended by the Comcast Offer. If you have submitted an Exercise Request under the Comcast Offer by the cut-off date of 7 September 2018, you would receive the Compensation Payment. If you have not submitted an Exercise Request under the Comcast Offer by the cut-off date of 7 September 2018, you will not be eligible for the Compensation Payment.
After the Comcast Offer becomes wholly unconditional in circumstances which allow you to exercise your Options, for example: <ul style="list-style-type: none">• injury or disability;• redundancy; or• retirement.	You will have six months from leaving to exercise before your Options lapse. If you have submitted an Exercise Request under the Comcast Offer by the cut-off date of 7 September 2018, you would receive the Compensation Payment. If you exercise after the cut-off date of 7 September 2018, you will not be eligible to receive the Compensation Payment.

After the Comcast Offer becomes wholly unconditional in circumstances which do not allow you to exercise your Options, for example resignation.	If you have not exercised your Options already they will lapse on you leaving employment. You will receive your savings back in full.
After the Comcast Offer becomes wholly unconditional and where you have already exercised your Options.	There is no effect on your Options by you leaving employment.

16. What are the tax consequences of exercising my Options?

The following is a summary of tax consequences of exercising your Options. It is intended as a general guide only, and is not tax advice to any individual participant. If you are in any doubt about your tax position, you should consult your own tax adviser.

Sharesave 2012-2016

a) Income tax and National Insurance contributions

When you exercise your Options you will not be liable to pay income tax or National Insurance.

b) Capital gains tax ("CGT")

You will make a capital gain on the disposal of your Sky Shares. The capital gain per Sky Share will be the difference between your Option exercise price and £14.75. Your total capital gain will therefore be this difference multiplied by the number of Sky Shares you acquire and then sell following the exercise of your Options.

You may have multiple Options under the UK Sharesave Schemes, each of which may have a different exercise price. You will need to take these differences into account when calculating your capital gains.

If you make no other capital gains in the period from 6 April 2018 to 5 April 2019 and the total capital gain you make on the sale of your Sky Shares is no more than £11,700, you will not incur a liability to CGT. This is because you are entitled to make £11,700 of capital gains in each tax year before paying CGT.

However, if your total capital gains exceed £11,700 in the period 6 April 2018 to 5 April 2019, you would need to declare your total capital gains and pay CGT on the excess. Capital gains are taxed at 10% for basic rate taxpayers and 20% for higher or additional rate taxpayers. You would need to complete a self-assessment tax return in order to do so, and so should contact HMRC if you do not normally complete a self-assessment tax return. More information on CGT can be found at <https://www.gov.uk/capital-gains-tax>.

Note that if you hold other Sky Shares or share options and/or if you have sold shares, or sell shares in the same period, then you may have additional capital gains to include in the calculations described above.

c) Transfers to spouse/registered civil partner

Transfers of shares to a spouse or registered civil partner (provided that in each case the parties are living together) are normally exempt from CGT. You may, therefore, be able to transfer some or all of your Sky Shares to your spouse or registered civil partner before they are acquired by Comcast. This would allow your spouse or registered civil partner to also make use of their available annual exemption and/or take advantage of the fact that they may pay tax at a lower rate than you do.

Each of the Sky Shares that you transfer to your spouse or registered civil partner may then be purchased by Comcast for £14.75 in cash as part of the Comcast Offer.

If you wish for Sky to organise for the transfer of some or all of your Sky Shares to your spouse or registered civil partner before being sold to Comcast, you will need to request an Exercise and Transfer Form. You may request the Exercise and Transfer Form from Link by calling their Helpline (see Further Information in the letter) or emailing skycomcast@linkgroup.co.uk. You should not submit an online Exercise Request if you wish to transfer Sky Shares to your spouse or registered civil partner. If you do so, your online Exercise Request will take precedence over any Exercise and Transfer Form and a transfer of Sky Shares to your spouse or registered civil partner will not be effected.

Please note that the facility to transfer some or all of your Sky Shares to your spouse or registered civil partner before they are acquired by Comcast will be at Sky's discretion and may be withdrawn in certain circumstances. If you have completed and returned an Exercise and Transfer Form in such a case, you will be treated as having agreed to exercise your Options and accept the Comcast Offer in respect of all of the Sky Shares acquired pursuant to the exercise of your Options without effecting a transfer to your spouse or registered civil partner.

In order to receive an Exercise and Transfer Form your spouse or registered civil partner will need to provide Link with documents verifying their identity and address. Please contact the Link Helpline (see Further Information in the letter) or email skycomcast@linkgroup.co.uk for further details.

If you are completing an Exercise and Transfer Form you will need to return it to the address printed on that form by no later than 7 September 2018 if you wish to ensure that your resulting Sky Shares are acquired by Comcast. Your spouse or registered civil partner will also need to sign the Exercise and Transfer Form and include their bank account details so that the proceeds of the sale of Sky Shares may be paid directly to them.

Please note that if you elect to transfer Sky Shares to your spouse or civil partner by completing and returning an Exercise and Transfer Form you will be required to pay any income tax liability arising on the exercise of your 2017 Options yourself via self-assessment (please see "Sharesave 2017" below for further details).

If you exercise your Options following 7 September 2018 without using the Exercise Request you are free to transfer some or all of your Sky Shares to your spouse or registered civil partner prior to accepting the Comcast Offer (should it remain open for acceptance) or selling those Sky Shares on the market (prior to the delisting of Sky Shares).

Sharesave 2017

a) Income tax and National Insurance contributions

When you exercise your 2017 Option you will not be liable to pay National Insurance. Income tax will, however, arise on the exercise of your 2017 Option, on the difference between your 2017 Option exercise price and £14.75, multiplied by the number of Sky Shares you acquire on exercise. Income tax will be payable at the same rates as apply to your salary. Ordinarily this income tax liability would not be collected by your employer and would instead be payable by you via self-assessment. Sky has however agreed with HMRC that Sky can instead deduct this income tax liability from your sale proceeds and pay it to HMRC on your behalf. The remaining balance will then be paid to you.

If an adjustment is required due to an over collection of tax by Sky, this will be made in the following payroll.

Alternatively you may choose to pay your income tax liability yourself via self-assessment. If you choose this route you will not be able to complete an online Exercise Request, and you would need to contact Link to request a hard copy Exercise Form to complete and return. You will be required to pay your income tax liability via self-assessment if you elect to transfer Sky Shares to your spouse or civil partner. You will need to complete a self-assessment tax return and so should contact HMRC if you do not normally complete a self-assessment tax return. More information on completing a self-assessment tax return can be found at <https://www.gov.uk/self-assessment-tax-returns>. If you wish to pay your income tax liability via self-assessment, please contact Link by calling their Helpline (see Further Information below) or emailing skycomcast@linkgroup.co.uk who will arrange for income tax to not be deducted on your behalf.

Sky is obliged to inform HMRC of the exercise of Options. We strongly recommend that you put aside enough money to pay this income tax liability if you decide to exercise your 2017 Option and pay income tax via self-assessment.

b) Capital gains tax

No capital gains tax liability should arise in respect of your 2017 Option as a result of the income tax charged on exercise.

17. What are the tax consequences of receiving the Compensation Payment?

The Compensation Payment will be subject to income tax and National Insurance, which will be deducted from the Compensation Payment before it is paid to you through payroll.

18. Will a new UK Sharesave Scheme be set up when (and if) Comcast completes its acquisition of Sky?

Comcast intends to provide incentivisation arrangements for Sky employees following completion of the acquisition, based upon its applicable compensation schemes, on terms no less favourable than Sky's current incentive arrangements.

TERMS AND CONDITIONS

These terms and conditions are important: they apply to this letter and to the online Exercise Request. You should read these terms and conditions carefully before submitting an Exercise Request. You should keep a copy of these terms and conditions for future reference. Separate additional Terms and Conditions accompany any hard copy Exercise Form or Exercise and Transfer Form.

1. In the event of any differences between this letter and the rules of Sky's UK Sharesave Schemes which govern the Options to which this letter relates or the applicable legislation, the rules or applicable legislation (as appropriate) will prevail. Copies of the rules are available on the Sky Shares portal, accessible at www.myskyrewards.com or www.skyemployeeeshares.com. A form of this letter is also available at <https://www.skygroup.sky/corporate/investors/offers-for-sky/comcast-offer>.

Submitting the Exercise Request

2. The Exercise Request will be of no effect unless it is submitted in accordance with the instructions set out on the Sky Shares portal by midday on 7 September 2018.

Exercise of your Options pursuant to the Exercise Request

3. By submitting the Exercise Request you confirm that you have had the opportunity to review the Comcast Offer Document (which is available at skygroup.sky/corporate/investors/offers-for-sky/comcast-offer), this letter and the Sky Shares portal, and have read and irrevocably agree to their respective terms and conditions.
4. By submitting the Exercise Request you confirm that each Option which you are exercising is valid, has not lapsed and is free from all mortgages and third party interests. You acknowledge that any Option certificate in respect of your Option will become void once your Option has been exercised.
5. By submitting the Exercise Request you acknowledge that you wish to exercise each of your Options to the fullest extent possible and that, in order to achieve the exercise of your Options, you will be (i) irrevocably electing to close your linked savings arrangements and (ii) directing Link to arrange for your accrued savings to be remitted to Sky to fund the exercise of your Options.
6. By submitting the Exercise Request you acknowledge that you wish to exercise any Options granted to you following the date on which you submit the Exercise Request to the fullest extent possible.
7. In no circumstances will the Trustee be liable for any loss howsoever arising as a result of acting in accordance with your instructions pursuant to the Exercise Request.
8. The exercise of your Options pursuant to the Exercise Request will take effect on the date determined by the Board of Sky in accordance with the terms of this letter.
9. By submitting the Exercise Request you irrevocably elect to accept the Comcast Offer in relation to all of the Sky Shares acquired pursuant to such exercise in accordance with the terms of this letter.
10. By submitting the Exercise Request you accept that the consideration payable pursuant to the Comcast Offer for the Sky Shares acquired on exercise of your Options will be paid as set out in this letter into the bank account, details of which you provide through the Sky Shares portal. If you do not provide bank details, you will receive a cheque sent to the address held by Link.
11. Any surplus cash amount in your savings arrangements not used to acquire Sky Shares (being an amount less than the exercise price in respect of one Sky Share under your Option, or each of your Options) will be returned to you into the bank account, details of which you provide through the Sky Shares portal. If you do not provide bank details, you will receive a cheque sent to the address held by Link.
12. Although no revision of the Comcast Offer is contemplated, by submitting your Exercise Request you agree that if the consideration payable under the Comcast Offer (in its original or any previously revised form(s)) were to increase you will be deemed to continue to instruct Sky that you wish to exercise your Options and accept the Comcast Offer without being required to reaffirm your instructions.
13. If the Comcast Offer does not become or is not declared wholly unconditional, your Exercise Request will have no effect on your Options, which will not be exercised.

Investment decision and taxation

14. Exercising your Options is a personal decision, and if you are in any doubts as to the decision you should take, you are recommended to consult an independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or, if you are taking advice outside the United Kingdom, from an appropriately authorised independent financial adviser. For legal reasons, neither Sky, Comcast Corporation, Comcast Bidco Limited, the Trustee, or Link nor any of their respective employees, officers or agents can give any legal, financial or tax advice. By submitting the Exercise Request you acknowledge that you have not relied on any investment, tax or other advice from Comcast Corporation, Comcast Bidco Limited, Sky, the Trustee, or Link or any member of their respective groups of companies, or any employees, officers or agents thereof.
15. By submitting the Exercise Request you acknowledge that reporting any capital gains and paying any CGT that may arise in respect of the Sky Shares acquired on exercise of your Options being sold to Comcast Bidco Limited is your sole responsibility.
16. By submitting the Exercise Request you agree that Sky may deduct any income tax liability arising on the exercise of your 2017 Options from your sale proceeds and (together with any National Insurance Contributions) from the amount of any Compensation Payment and pay this amount to HMRC on your behalf.

General

17. Options granted under the UK Sharesave Schemes will in most cases remain exercisable for six months following the Comcast Offer becoming or being declared wholly unconditional. If you have left, or leave employment with Sky, your Options may lapse before or after this date, dependent upon the circumstances of your leaving.
18. Sky Shares issued on the exercise of Options following the Comcast Offer becoming or being declared wholly unconditional and prior to the Comcast Offer closing will be purchased by Comcast Bidco Limited for £14.75 per Sky Share.
19. By submitting the Exercise Request you are also agreeing to the Trustee's terms and conditions, which you should read and which are available on the Sky Shares portal. The Trustee is being used to hold your Sky Shares on your behalf before those Sky

- Shares are then sold to Comcast Bidco Limited. The Trustee will receive the sale proceeds for your Sky Shares on your behalf before these are transferred to you via Link.
20. None of Comcast Corporation, Comcast Bidco Limited, Sky, Link or the Trustee, nor any member of their respective groups of companies, nor any employees, officers or agents thereof can be held responsible for any failure in the electronic delivery of the Exercise Request or any other document or any consequential loss.
 21. If any Option to which the Exercise Request would otherwise have applied lapses (to any extent) prior to the date on which the relevant terms of the Exercise Request become effective, the Exercise Request will be of no effect in respect of such Option and you will not receive any Sky Shares in respect of such Option (or part thereof).
 22. The information collected in the Exercise Request will be used for data processing for which Link is responsible and will be transmitted to any person(s) who require such information for the purposes of carrying out your instructions, and such persons will include Sky, Comcast and the Trustee.
 23. This letter and the Exercise Request are each governed by and will be construed in accordance with the laws of England.

NOTES

The release, publication or distribution of this letter in, into or from jurisdictions other than the United Kingdom and the availability of the Comcast Offer to shareholders of Sky who are not resident in the United Kingdom may be restricted by the laws of those jurisdictions. Therefore persons into whose possession this letter comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

The term "Independent Committee" refers to the committee of independent directors of Sky established for the purposes of considering the Comcast Offer and comprises six independent non-executive directors (Martin Gilbert (Deputy Chairman), Andrew Sukawaty (Senior Independent Director), Tracy Clarke, Adine Grate, Matthieu Pigasse and Katrin Wehr-Seiter) and two executive directors (Jeremy Darroch and Andrew Griffith).

The Independent Committee accepts responsibility for the information contained in this letter (including any expressions of opinion) other than the information (and expressions of opinion) for which the directors of Comcast Corporation and the directors of Comcast Bidco Limited accept responsibility. To the best of the knowledge and belief of the Independent Committee (which has taken all reasonable care to ensure that this is the case), the information contained in this letter for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Comcast Corporation and the directors of Comcast Bidco Limited each accept responsibility for the information (including any expressions of opinion) contained in this letter relating to the Comcast Group and the directors of Comcast Corporation and the directors of Comcast Bidco Limited. To the best of the knowledge and belief of the directors of Comcast Corporation and the directors of Comcast Bidco Limited (who have taken all reasonable care to ensure that this is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Morgan Stanley & Co International plc, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority and PJT Partners (UK) Limited, which is authorised and regulated by the FCA in the United Kingdom, are each acting for Sky and no one else in connection with the matters described herein and will not be responsible to anyone other than Sky for providing the protections afforded to their respective clients, for giving advice in connection with the matters described herein or in relation to any matter referred to herein

Each of Morgan Stanley, PJT Partners and Barclays have given and not withdrawn their written consent to the issue of this letter with the inclusion of the references to their names in the form and context in which they appear.

Comcast Bidco Limited is a newly-incorporated company formed for the purposes of the Comcast Offer and is indirectly wholly-owned by Comcast Corporation. Comcast Bidco Limited was incorporated under the laws of England and Wales as a private limited company on 2 May 2018 with registered number 11341936 and has neither traded since incorporation nor entered into any obligations, other than in connection with the Comcast Offer.

Accidental omission to dispatch this letter to, or any failure to receive the same by, any person to whom the proposals in the letter are made or should be made, will not invalidate the proposals in any way.