

Resolution on Board Diversity

WHEREAS: Discovery Communications does not have any women on its Board of Directors.

Yet, in 2012, Discovery Communications amended its Corporate Governance Guidelines to include a commitment to diversity inclusive of gender, race and ethnicity in its nomination criteria.

We believe that diversity, inclusive of gender, race and ethnicity, is a critical attribute of a well-functioning board and a measure of sound corporate governance.

Research confirms a strong business case for diversity on corporate boards. For example, the 2012 Credit-Suisse Research Report *Gender Diversity and Corporate Performance* links board diversity to higher return on equity, lower leverage, and higher price/book ratios. The report suggests several explanations for this better performance including a stronger mix of leadership skills, improved understanding of consumer preferences (women control more than two-thirds of consumer spending in the U.S.), and more attention to risk. Several additional studies suggest a critical mass of at least three women directors strengthens corporate governance.

Recognizing the benefits of diversity in corporate leadership, investment firms are responding with new products and services. U.K.-based Barclays launched an exchange-traded note based on an index of companies with female CEOs or directors (the latter with a threshold of 25 percent). Bank of America, Morgan Stanley, and Pax World Investments have similarly expanded their product offerings.

Discovery Communications has commitments to promote equal opportunities and diversity within the firm, made evident by its comprehensive non-discrimination policy and support for anti-discrimination initiatives. Several women hold executive management positions. Yet, the company noticeably lags its peers on board diversity. DirecTV, TimeWarner, and The Walt Disney Company each have more than one woman director on their boards. Ninety-two percent of S&P 500 boards include at least one woman, and the average for the index is two women directors (2014 ISS Board Practices Study).

Resolved: Shareholders request that the Board of Directors report to shareholders by September 2015, at reasonable expense and omitting proprietary information, on plans to increase diverse representation on the Board as well as an assessment of the effectiveness of these efforts. The report should include a description of how the Nominating and Corporate Governance Committee, consistent with its fiduciary duties, takes every reasonable step to include women and minority candidates in the pool from which Board nominees are chosen.

Supporting Statement:

Companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term shareholder value. We propose that the requested report should also address:

- The number of women and minorities in the candidate pool in the most recent three year period.
- A summary of challenges and plans to address them.

As long-term shareholders, we believe that Discovery Communications would benefit from expanding its recruitment pool and promoting a more diverse board. We urge you to vote FOR this resolution.