

**For immediate release**

## **Pension funds want a line drawn under hacking scandal**

News Corp can only move on from the hacking scandal if it overhauls its board structure, according to the UK's leading shareholder activist body.

The Local Authority Pension Fund Forum (LAPFF), whose 54 members have combined assets of £100bn, has issued a voting alert to its members this week on News Corp. Having undertaken extensive research into the phone-hacking scandal, and having engaged with News Corp directly, LAPFF has reached the view that board change is necessary. The Forum believes that lead director Rod Eddington is well placed to take this process further.

Although LAPFF would have preferred to see a fully independent process put in place, the Forum has also taken the view that Viet Dinh's internal review in response to the hacking scandal must be given time to reach its conclusions.

Therefore LAPFF has recommended that its members vote for the election of Rod Eddington and Viet Dinh. LAPFF has also recommended a vote in favour of Andrew Knight, who has also played a positive role in engaging with the Forum.

The Forum believes that the News Corp board must take responsibility for the hacking scandal and that this would be best achieved by a change to its existing membership and structure. LAPFF believes that James Murdoch's continued presence on the News Corp board is causing significant reputational damage to the company and is no longer in shareholders' interest. The Forum has therefore recommended that its members oppose James Murdoch's election.

LAPFF also wishes to see a separation of powers at the head of the company, and the appointment of a genuinely independent chair. The Forum has recommended that its members oppose the election of Rupert Murdoch, who currently holds the combined roles of chair and chief executive.

Forum chairman Ian Greenwood said: "News Corp and its shareholders desperately want to draw a line under this scandal, but that will only be possible if the board accepts the need to demonstrate real accountability. That requires a change in the structure and the make-up of the board. Whilst these are difficult issues for the company to address, we believe that to secure News Corp's long-term future such reform is necessary."

**ENDS**

About LAPFF:

The Local Authority Pension Fund Forum (LAPFF, [www.lapfforum.org](http://www.lapfforum.org)), which was set up in 1991, is a voluntary association of 54 public sector pension funds based in the UK. It exists 'to promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' The Forum's members currently have combined assets of over £100 billion. PIRC is the Research and Engagement partner of the Forum.

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