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LAPFF Recommends Oppose Vote on James Murdoch at BSkyB AGM

The Local Authority Pension Fund Forum (LAPFF) is recommending an Oppose Vote on the re-election of James Murdoch to the BSkyB board at the AGM scheduled for 21st November in London. In a Voting Alert issued to member funds the Forum has outlined its continued concerns over his re-election.

'LAPFF has consistently raised concerns about James Murdoch's role on the BSkyB board since 2011, concerning conflicts of interest and director candidature suitability.' LAPFF Chair Councillor Kieran Quinn said.

'As well as his conflicted role as a board member, Mr Murdoch's ability to respond appropriately to a governance crisis at BSkyB is in doubt given the scandalous events at News Group Newspapers (NGN) and the subsequent views of OFCOM.'

'Over the longer term, the Forum would like to ensure there is a genuine 'arm's length' relationship between BSkyB and Twenty First Century Fox (where James Murdoch is an executive director and that company has 39.14% holding in BSkyB shares), through a further strengthening of the independent representation on the board,' Mr Quinn said.

James Murdoch, has been on the BSkyB board since 2003, formerly as chief executive and then as Chairman, remains on the board as a non-executive director.

Mr Murdoch also serves on the boards of News Corporation as Non Executive Director and Twenty-First Century Fox, where he is an Executive Director. Both News Corporation and Twenty-First Century Fox are heavily controlled by James Murdoch's family members, including father Rupert Murdoch and brother Lachlan Murdoch.

Rupert Murdoch is the controlling shareholder in BSkyB, holding 39.14% of the issued share capital through 21st Century Fox UK Nominees Limited. One-third of the board has ties to Twenty-First Century Fox. This level of influence is of particular concern given that the Senior Independent Director will step down at the AGM and no replacement has yet been announced.

LAPFF has previously raised questions in relation to whether or not James Murdoch managed the phone hacking issues competently. To date, News group costs relating to the hacking scandal have exceeded \$400m. A number of former employees have been convicted of criminal activity, and it remains possible that corporate charges may still yet occur. OFCOM, the regulator for the UK's broadcasting industry reported in 2012 that "a company director is required to exercise reasonable care, skill and diligence in the exercise of his functions. He may delegate, but has a duty to supervise appropriately.'

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About the Local Authority Pension Fund Forum

The Local Authority Pension Fund Forum (LAPFF), formed in 1991, is a voluntary association of 61 public sector pension funds based in the UK with combined assets of approximately £150billion. 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." PIRC is the Research and Engagement partner to the Forum. www.lapfforum.org