

For immediate release

News Corp must respond to AGM vote say pension funds

News Corp must overhaul its corporate governance in response to unprecedented investor dissent, according to the UK's leading shareholder activist body.

Following votes of 35% and 34% against James Murdoch and Lachlan Murdoch, the Local Authority Pension Fund Forum (LAPFF), whose 54 members have combined assets of £100bn, believes News Corp must refresh its board. When the Murdoch family's own interest in News Corp is accounted for it is clear that a large majority of independent shareholders voting at Friday's annual meeting do not support the existing board structure.

Forum chairman Ian Greenwood said: "These results show a clear desire for change amongst News Corp's shareholders. The level of investor opposition to certain board members is even higher than many had expected. Therefore the board needs to move swiftly to institute genuinely independent representation. News Corp would also benefit from a clear separation of powers at the head of the company."

Ahead of the AGM LAPFF had issued a voting alert to its members recommending that they oppose the election of James Murdoch and Rupert Murdoch. The Forum supported the re-election of Rod Eddington, Viet Dinh and Andrew Knight. LAPFF also supported a resolution raised from the floor of the AGM by Christian Brothers Investment Services seeking the appointment of an independent chair.

News Corp has been on LAPFF's Global Focus List of companies with poor corporate governance practices since 2009. The Forum stepped up its engagement with the company in response to the phone-hacking scandal.

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About LAPFF:

The Local Authority Pension Fund Forum (LAPFF, 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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