

FOR IMMEDIATE RELEASE

## **Support for governance reform at News Corp grows**

*Shareholders and advisory groups back resolution seeking the appointment of an independent chair at News Corporation.*

Leading shareholders and investor advisory services have backed an initiative seeking the appointment of an independent chair at News Corporation.

The resolution has been co-filed by US-based Christian Brothers Investment Services (CBIS) and members of the Local Authority Pension Fund Forum (LAPFF). It will be voted on at the company's AGM in Los Angeles on October 16<sup>th</sup>.

Investors now supporting the resolution include Hermes Equity Ownership Services (Hermes EOS).

**Hans Hirt, Global Head of Corporate Engagement at Hermes Equity Ownership Services, said:** "While we acknowledge the recent board changes made by the company, News Corp has still not sufficiently addressed the significant shareholder concerns about its board structure and corporate culture highlighted at last year's annual meeting. The time is right for the company to appoint an independent chair in order to rebuild trust, and ensure that the interests of all investors are more properly represented."

Proxy voting advisory service Glass Lewis has also recommended that shareholders vote in favour of the resolution.

The backing of these groups follows earlier shareholder support for the resolution. In July 18 investors with more than US \$1.6 (£1.02) trillion in assets under management and 13.4 million News Corp Class A shares wrote to the News Corporation board expressing their support. These included major US and UK investors such as Legal & General Investment Management, Railpen, The Co-operative Asset Management, AP4 and Mercy Investment Services.

In support of the resolution, CBIS and LAPFF have produced a [proxy advisory briefing](#) which has been distributed to News Corp shareholders, and has been used in engagements with major investors.

**Ian Greenwood, Chairman of Local Authority Pension Fund Forum, said:** "Whilst we recognise the efforts the company has made to clear up the mess left by the hacking scandal, we continue to believe that News Corp and its shareholders would benefit from the appointment of an independent chair. The clear sense we are getting is that major

News Corp shareholders agree with our analysis and share our desire for the company to commit to meaningful reform."

**Julie Tanner, Assistant Director of Socially Responsible Investing at Christian Brothers Investment Services, said:** "Although approximately 40 percent of voting shares are tied to the Murdoch family, this resolution allows independent shareholders voice their

dissatisfaction with the lack of responsiveness from the News Corp board. An independent chair is a necessary step toward rebuilding shareholder trust and protecting long-term shareholder value.”

News Corp’s AGM takes place in Los Angeles on Tuesday October 16<sup>th</sup> at 10.00am. LAPFF, CBIS and Hermes EOS will be attending the meeting to speak in favour of the resolution.

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### **About the Local Authority Pension Fund Forum**

The Local Authority Pension Fund Forum (LAPFF), which was set up in 1991, is a voluntary association of 55 public sector pension funds based in the UK with combined assets of approximately £115 billion. 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 to the Forum. [www.lapfforum.org](http://www.lapfforum.org)

### **For Further Information Contact**

Tom Powdrill  
Head of Communications  
PIRC Limited (research and engagement partner to LAPFF)  
Tel: 020 7247 2323  
[tomp@pirc.co.uk](mailto:tomp@pirc.co.uk)