

News Corp. shareholder protest votes defeated (Update)

October 17 2012, by Ryan Nakashima



Media tycoon Rupert Murdoch faced calls to give up some of his control at the News Corp. conglomerate at a shareholder meeting that was unlikely to change the balance of power.

(AP)—News Corp. managed to avoid rowdy protests at its annual shareholders meeting Tuesday, but that didn't stop stockholders from voicing complaints about the grip on the company held by founder and CEO Rupert Murdoch and his family.

Despite the opposition, the [News Corp.](#) board said three [shareholder](#) proposals to dilute the Murdochs' control were defeated by a majority of voting shares.

Only Class B shareholders could vote and the Murdoch family controls nearly 40 percent of them. That means it has a dominant say in the operations of the company, which owns media properties such as Fox News Channel and The [Wall Street Journal](#), even though its stake

amounts to 13 percent of outstanding shares.

Some shareholders said they were upset at the lack of management accountability for the British phone hacking scandal that erupted last year, and registered significant protest votes.

This year's gathering was more subdued, however, than a year ago, when protesters assembled outside following revelations made public in June 2011 that the company's British tabloid News of the World regularly hacked into the phones of celebrities and [crime victims](#) in the hunt for scoops.

Still, [Rupert Murdoch](#) had a couple of testy exchanges with shareholders during the 81-minute meeting Tuesday on the [20th Century Fox](#) movie studio lot in Los Angeles.

"There are plenty of media stocks to buy if they don't like this one," said Murdoch, who chaired the meeting and had just 3.5 percent of votes cast against his re-election. "When you buy the stock you know what the company is. If you don't like it, don't buy the stock."

The shareholder proposal that got the most support—at 30 percent of the votes cast—would have mandated that the board chairman be independent, which would have stripped Murdoch of the title. The proposal was supported by about two-thirds of the votes cast when excluding the Murdoch family's stake.

"While Mr. Murdoch claims that the interests of his family are in line with those of all shareholders, this vote proves that most independent shareholders would disagree," said Julie Tanner, an assistant director at the motion's co-sponsor, Christian Brothers Investment Services Inc.

Meanwhile, 28 percent were cast in support of eliminating the division

between voting and non-voting shares. That also was about two-thirds of the non-Murdoch votes.

Laura Shaffer Campos, director of shareholder activities for The Nathan Cummings Foundation, said it was important to call for a change in corporate governance even if it went unheeded.

"Even if the very structure that we're trying to change prevents us from actually changing anything, they still need to hear that their shareholders really think this is an issue," she said.

All the New York-based company's director nominees were approved, although several faced significant protest votes. Rupert Murdoch's son Lachlan and opera singer Natalie Bancroft both had 20 percent of votes cast against their re-election to the board. James Murdoch, Rupert Murdoch's son who has faced criticism for his handling of the British [phone hacking](#) scandal, had 16.3 percent of votes cast against him. James Murdoch is the company's deputy COO.

News Corp.'s widely traded Class A shares closed the day up 41 cents, or 1.7 percent, at \$24.77 after the meeting concluded.

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: News Corp. shareholder protest votes defeated (Update) (2012, October 17) retrieved 24 April 2024 from <https://phys.org/news/2012-10-news-corp-shareholder-protest-votes.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--