

# Shareholder unrest voiced at News Corp

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

Dissident shareholders introduced resolutions for a split in the role of chairman and chief executive—both held by Murdoch—or to change the dual classes of stock which give Murdoch and his family effective control of the firm.

It marked the second year in a row that Murdoch has faced criticism from shareholders in the wake of a phone hacking scandal in Britain which led to the closure of one newspaper and is the subject of a major ongoing investigation.

Still, there was little doubt about the outcome of the [shareholder](#) revolt,

as Murdoch and his family hold about 40 percent of the voting power and a Saudi prince who supports him owns another seven percent.

Murdoch acknowledged what he called "mishaps" in the hacking case but said his company had "worked very hard to make amends."

Still, some shareholders said the scandal had highlighted weak [corporate governance](#) and should prompt changes.

Julie Tanner of the socially responsible Christian Brothers Investment Services urged shareholders to vote to create an independent chairman's position.

"We believe that having a CEO serve as chair presents a [conflict of interest](#) and is an impediment to a strong, independent board, whose primary job is to monitor management on behalf of all shareholders," she said.

"The failure of internal controls has had real and lasting [repercussions](#). It has shuttered a newspaper, launched criminal investigations, cancelled the BSkyB acquisition, eroded [public trust](#) and tarnished the company's reputation."

Murdoch responded that while many firms in Britain have an independent chairman, in the United States "about 70 percent" of publicly traded companies have a combined CEO and chairman.

Murdoch did not shy away from his criticism of dissident shareholders when asked about comments he made on Twitter in recent days.

"When you buy the stock, you know what the company is," he said in response to one shareholder. "If you don't like it, don't buy the stock."

Last week, Murdoch tweeted that "any shareholders with complaints should take profits and sell."

The meeting introduced former Colombian president Alvaro Uribe and former US labor secretary Elaine Chao, who were nominated for the board of directors.

Murdoch also said the move to split the company into an entertainment division and a separate group focused on publishing was proceeding and that there would be more information on management of those units by year's end.

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