

In re News Corp. Shareholder Litigation

COURT: Delaware Court of Chancery
CASE NUMBER: 6316-VCN

On March 25, 2011, BLB&G, on behalf of New Orleans Employees' Retirement System and derivatively on behalf of News Corporation ("News Corp" or the "Company"), filed a shareholder class action and derivative complaint against the board of directors (the "Board") of News Corp relating to the Company's proposed purchase of Shine Group Ltd ("Shine").

June 26, 2013 - Court Grants Final Approval of Historic Settlement of *In re News Corporation Shareholder Derivative Litigation*

News Corporation shareholders Amalgamated Bank, as Trustee to the LongView Funds ("Amalgamated Bank"), Central Laborers Pension Fund and the City of New Orleans Employees' Retirement System ("NOMERS"), together with co-lead derivative counsel, Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") and Grant & Eisenhofer P.A. ("G&E") have reached an agreement with News Corp and the individual defendants, certain current or former directors of the Company, to resolve all claims alleged in the derivative lawsuit captioned *In re News Corporation Shareholder Derivative Litigation* (6285-VCN, Delaware Chancery Court) (the "Action").

Under the terms of the settlement, News Corporation will recover \$139 million in insurance proceeds. In addition, News Corporation will build on the corporate governance enhancements that the Company, under the direction of its Board, has taken over the last year to strengthen its global compliance structure and corporate governance. Among other things, News Corporation is implementing additional meaningful measures that the Company and the Plaintiffs crafted through their cooperative efforts.

Background

Rupert Murdoch, News Corp's founder, chairman, CEO and de facto controlling shareholder, caused News Corp to purchase Shine, his daughter Elisabeth's media company, at an inflated price (the "Shine Acquisition"). Murdoch intends to also appoint Elisabeth to the News Corp Board where she will join her father and two brothers as Company directors. The Shine Acquisition and board appointment represent blatant acts of nepotism. There is questionable strategic value in News Corp's acquisition of Shine and the purchase price is inflated by all measures. In addition, Ms. Murdoch appears wholly unqualified to serve on the News Corp Board and her appointment can only be explained by her namesake. The Shine Acquisition is a continuation of Murdoch's crusade to saturate the Company's ranks with his children.

In breach of their fiduciary duties, the News Corp Board, which is dominated by Murdoch's family and associates, rubber-stamped the Shine Acquisition, which closed on April 5, 2011.

On July 8, 2011, BLB&G filed an amended complaint, adding claims related to the recent revelations of "hacking" at News Corp. For years, the Company embraced the scandalous practice of illicitly accessing the personal phone records and voicemail of various citizens in numerous countries. The scandal has devastated the reputation of the Company and underscored the lack of accountability at News Corp while under the Murdochs' control. As a result

of the allegations, the Company was forced to close the Company's legendary News of the World newspaper, and various News Corp executives have resigned with several former executives facing criminal charges.

Both Rupert and his son James Murdoch have testified in Britain relating to the hacking allegations and the veracity of their statements has been questioned by News Corp insiders.

Case Documents

- June 26, 2013 - Order and Final Judgement
- May 6, 2013 - Notice of Settlement
- May 6, 2013 - Form 8-K with Notice of Settlement
- May 6, 2013 - Scheduling Order
- May 3, 2013 - Stipulation of Settlement
- June 18, 2012 - Verified Third Amended Consolidated Shareholder Derivative Complaint
- July 8, 2011 - Verified Amended Consolidated Shareholder Derivative and Class Action Complaint
- March 25, 2011 - Verified Shareholder Class Action and Derivative Complaint