



**STATEMENT BY SOCIALLY RESPONSIBLE INVESTORS AND SHAREHOLDERS
A CALL FOR IMPROVED CORPORATE GOVERNANCE AT NEWS CORPORATION**

August 9, 2011

We, the undersigned socially responsible investors and shareholders, with \$24.7 billion in assets under management and 800,000 shares of News Corp A shares, express strong concern about the unethical activities of News Corporation. Allegations of phone hacking and bribery, unprecedented access to elected representatives and leaders, as well as law enforcement officials are clear evidence of what can happen when a company chooses to operate outside the universally accepted principles of good governance.

Faith-based and socially responsible investors have long advocated that a sound governance framework with adequate checks and balances is the basis of a healthy company. In a newly formed investor coalition, many of these investors, including those that own shares in News Corporation, have joined together to express concern over the troubling set of policies and practices revealed by the current investigations.

Corporate governance policies and practices are an important component of financial analysis and make an important contribution to shareholder value by enhancing corporate accountability and reducing risk. An examination of News Corporation's corporate governance reveals several areas of concern, including the dual chairman/CEO role, a high number of inside or affiliated directors, and a dual share class structure.

Proxy advisory firms in the U.S. and the U.K. have issued critical reports regarding the composition of News Corporation's board of directors and the resulting risk to shareholders:

- Governance Metrics International (GMI), a provider of global corporate governance ratings and research has rated News Corp worst in class since it launched its ratings in 2003, consistently rating the board's governance "F";
- Glass, Lewis & Co., a governance analysis and proxy voting firm serving institutional investors globally, noted the board's high number of inside or affiliated directors and expressed concern about the directors' ability to perform proper oversight of management; and
- PIRC, a UK research and advisory consultancy, rated News Corp in the worst 5 percent of the S&P500 index constituents in its governance risk model.

In order to begin to rebuild the public confidence and trust that is critical to the operation of the business, shareholder call on the company to swiftly take the following actions:

- Separate the positions of Chair and Chief Executive Office and establish an independent Chair;

Ensure the board consists of a substantial majority of independent board members; and

- Eliminate the dual class structure so that all shareholders have the ability to vote and/or submit proposals for inclusion on the ballot.

By taking these steps, it will be evident to shareholders that the Board of News Corporation takes seriously the events that have disclosed these very serious failures in the company's operations and is working to eliminate illegal and unethical activities. As shareholders interested in preserving the long-term value of companies, it is important that the board of directors act quickly to implement adequate governance standards. Although no one can predict the short-and long-term impact of the current legal and reputational issues on shareholder value, the absence of sufficient controls and governance practices clearly calls for corrective action by the board of directors. Failure to identify and manage these risks and the clear need to improve the organization's capabilities in this regard must be addressed immediately and forcefully in order to protect News Corporation shareholders from further erosion of their investment.

In the meantime, responsible investors are taking a variety of steps to raise concerns at News Corp, including calling for engagement with the board and senior management, filing a floor resolution on the separation of the Chair and CEO positions, reassessing governance criteria in their investment process to strengthen their application in the screening process, and considering possible divestment.

The supporting signatories:

The Interfaith Center on Corporate Responsibility (ICCR)

Adrian Dominican Sisters

American Baptist Home Mission Society

Aquinas Associates

Calvert Investment Management, Inc

Catholic Health East

Central Finance Board of the Methodist Church

Christian Brothers Investment Services

Congregation of Sisters of St. Agnes, General Council, Fond du Lac, WI

Dominican Sisters, Sparkill, NY

Everence Financial

Maryknoll Fathers and Brothers, The Catholic Foreign Mission Society of America, Inc.

Maryknoll Sisters

Mercy Investment Services

Missionary Oblates of Mary Immaculate

Northwest Coalition for Responsible Investment

Racine Dominican SRI Committee; Racine, WI

Sisters of St. Francis of Philadelphia

Trillium Asset Management

Ursulines of the Roman Union, Eastern Province

Zevin Asset Management, LLC