

News Corporation

K.R. Murdoch

First Statement

"KRM11"

12 April 2012

**IN THE MATTER OF THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS
OF THE PRESS**

EXHIBIT "KRM11"

This is the exhibit marked "KRM11" referred to in the witness statement of Keith Rupert Murdoch dated the 12th day of April 2012.



FAIR TRADING ACT 1973

Section 58

Consent in a case of urgency to transfers of newspapers not economic as going concerns and intended to continue as separate newspapers

Whereas -

- (1) News International Limited ("NIL") is a newspaper proprietor whose newspapers have an average circulation per day of publication, calculated in accordance with section 57(3) of the Fair Trading Act 1973, amounting, with that of The Times, to 500,000 or more copies, and also amounting, with that of The Sunday Times, to 500,000 or more copies;
- (2) The Times and The Sunday Times are newspapers of which The Thomson Organisation Limited is a newspaper proprietor;
- (3) the Secretary of State received on 23 January 1981 an application for his consent to the transfer of each of The Times and The Sunday Times to NIL;
- (4) the Secretary of State is satisfied that neither The Times nor The Sunday Times is economic as a going concern and as a separate newspaper and that if, in each case, the newspaper in question is to continue as a separate newspaper the case is one of urgency:



Now, therefore, the Secretary of State, pursuant to section 58(3)(a) of the Fair Trading Act 1973, hereby consents to the transfer of each of The Times and The Sunday Times from the Thomson Organisation Limited to NLL without requiring a report from the Monopolies and Mergers Commission under section 59 of that Act but subject to the following conditions:

1 Publication of the newspapers transferred shall be as separate newspapers.

2 NLL shall not without the consent of a majority of the independent national directors for the time being of Times Newspapers Holdings Limited (TNHL) do anything, or procure or permit anything to be done, which shall result in -

(i) NLL, by reason of any transfer, ceasing to be a newspaper proprietor in relation to The Times or The Sunday Times, or

(ii) either TNHL or Times Newspapers Limited (TNL) ceasing to be a subsidiary (within the meaning of Section 154 of the Companies Act 1948) of NLL, or

(iii) TNL selling or otherwise disposing of any interest in The Times or The Sunday Times.



3 (a) Before either of the transfers to which this consent relates takes effect the Articles of Association of TNHL shall have been altered to give effect to the requirement set out below and a draft of the resolution so altering the Articles shall have been approved by the Secretary of State as giving effect to that requirement.

(b) The said requirement is that the number of independent national directors shall be increased from 4 to 6 and no person shall be appointed to or removed from the office of independent national director, including such additional persons, without the approval of the majority of the independent national directors at the time of the appointment or removal.

4 (a) Before either of the said transfers takes effect the Articles of Association of TNL shall have been altered to give effect to the requirements set out below and a draft of the resolution so altering its Articles shall have been approved by the Secretary of State as giving effect to those requirements.

(b) The said requirements are that -

(i) The Editor of The Sunday Times and the Editor of The Times ("the Editors") shall not be appointed or dismissed without the approval of



the majority of the independent national directors of TNHL.

- (ii) The Editor of each newspaper shall retain control over any political comment published in his newspaper and, in particular, shall not be subject to any restraint or inhibition in expressing opinion or in reporting news that might directly or indirectly conflict with the opinions or interest of any of the newspaper proprietors (within the meaning of Section 57 of the Fair Trading Act 1973) of The Times or The Sunday Times.
- (iii) Instructions to journalists shall be given only by the Editor or those to whom he has delegated authority.
- (iv) Subject only to any annual budget for editorial space and expenditure determined by the directors of TNL, the Editor of each newspaper shall retain control over the appointment, disposition and dismissal of journalists on his newspaper and of all other content of his newspaper except that in the case of advertisements the Editor's rights may be limited to the right to refuse to publish any advertisement and where in his newspaper advertisements in general are, or an advertisement in particular is to appear;



(v) Any dispute between the Editors, or either of them, and the Directors of TNL is to be referred to the independent national directors of TNHL or such one or more of the independent national directors as they may themselves determine; and their decision shall be final and binding.

5 The Articles of Association of TNHL and TNL after alteration to comply with the foregoing requirements shall not thereafter be altered in any way which affect or which may effect, the operation of the said requirements except with the written consent of the Secretary of State.

John Biffen

SECRETARY OF STATE FOR TRADE

27 January 1981

27 January, 1981.

In addition, the Articles will also incorporate the further provisions agreed between Mr. Murdoch and the editorial Vetting Committee, notably his undertaking to maintain the titles as editorially independent newspapers of high quality, free from party political bias and from attachment to any sectional interest, recognising in particular The Times as a paper of record.

Although the Supplements are not subject to the requirements of the Act, I have been assured by Mr. Murdoch that all the foregoing principles will apply in equal measure to them.