NEWS CORP
Form DEF 14A
October 12, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a-12

NEWS CORPORATION
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each Class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
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(1) Amount previously paid:
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(3) Filing Party:
(4) Date Filed:

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Notice of Annual Meeting of Stockholders

Date and Time

November 10, 2016, 3:00 p.m. (Pacific Time)

Place

Darryl F. Zanuck Theatre at Fox Studios
10201 West Pico Boulevard
Los Angeles, California 90035

Record Date

October 11, 2016

YOUR VOTE IS IMPORTANT

Even if you plan to attend the Annual Meeting in person, we encourage you to vote in advance by:

- visiting ***www.proxyvote.com*** (Common Stock) or ***www.investorvote.com.au*** (CDIs)
- mailing your signed proxy card or voting instruction form
- calling toll-free from the United States, U.S. territories and Canada to 1-800-690-6903 (Common Stock only)

Items to be Voted

- elect the 11 Directors identified in the attached proxy statement to the Board of Directors (the Board) of News Corporation (the Company);
- ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2017;
- consider an advisory vote to approve executive compensation;
- consider the stockholder proposal described in the attached proxy statement, if properly presented at the Annual Meeting; and
- consider any other business properly brought before the Annual Meeting and any adjournment or postponement thereof.

Eligibility to Vote

While all of the Company s stockholders and all holders of CHESS Depositary Interests (CDIs) exchangeable for shares of the Company s common stock are invited to attend the Annual Meeting, only stockholders of record of the Company s Class B Common Stock and holders of CDIs exchangeable for shares of the Company s Class B Common Stock at the close of business on October 11, 2016, the Record Date, are entitled to notice of, and to vote on the matters to be presented at, the Annual Meeting and any adjournment or postponement thereof. Holders of the Company s Class A Common Stock and holders of CDIs exchangeable for shares of the Company s Class A Common Stock are not entitled to vote on the matters to be presented at the Annual Meeting or any adjournment or postponement thereof.

By Order of the Board of Directors,

Michael L. Bunder
Corporate Secretary

October 12, 2016

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on November 10, 2016
The proxy statement and annual report for the fiscal year ended June 30, 2016 are available at ***www.proxyvote.com***.

We are making the proxy statement and the form of proxy first available on or about October 12, 2016.

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The Company maintains a 52-53 week fiscal year ending on the Sunday nearest to June 30 in each year. Fiscal 2017, fiscal 2016, fiscal 2015 and fiscal 2014 will include or included 52, 53, 52 and 52 weeks, respectively. Unless otherwise noted, all references to the fiscal years ended June 30, 2017, June 30, 2016, June 30, 2015 and June 30, 2014 relate to the fiscal years ended July 2, 2017, July 3, 2016, June 28, 2015 and June 29, 2014, respectively. For convenience purposes, the Company continues to date its financial statements as of June 30.

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PROXY SUMMARY

We provide below highlights of certain information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider before you decide how to vote. You should read the entire proxy statement carefully before voting.

2016 Annual Meeting of Stockholders

Date and Time:	November 10, 2016 at 3:00 p.m. (Pacific Time)
Place:	Darryl F. Zanuck Theatre at Fox Studios 10201 West Pico Boulevard Los Angeles, California 90035
Record Date:	October 11, 2016
Voting:	Holders of Class B Common Stock are entitled to vote by Internet at ***www.proxyvote.com***; telephone at 1-800-690-6903; by completing and returning their proxy card or voting instruction form; or in person at the Annual Meeting Holders of Class B CDIs are entitled to vote by Internet at ***www.investorvote.com.au***; or by completing and returning their voting instruction form

Voting Matters

	Page Number	Voting Standard	Board Vote Recommendation
Proposal No. 1: Election of 11 Directors	5	Majority of votes cast	FOR each Director nominee
Proposal No. 2: Ratification of Selection of Ernst & Young LLP as Independent Registered Public Accounting Firm for Fiscal 2017	23	Majority of votes cast	FOR
Proposal No. 3: Advisory Vote to Approve Executive Compensation	27	Majority of votes cast	FOR
Proposal No. 4: Stockholder Proposal	62	Majority of votes cast	AGAINST

Corporate Governance Highlights

Continuing strong independent Board leadership. In recognition of his leadership and skills, the independent Directors re-elected Peter L. Barnes as the independent Lead Director for an additional one-year term.

Expanding our stockholder engagement. In fiscal 2016, the independent Directors identified stockholder outreach as an area of priority and directed the expansion of the Company's engagement program to include a specific focus on corporate governance. Our Board and our senior management engaged with unaffiliated stockholders representing over 35% of the outstanding Class B Common Stock and approximately 60% of the outstanding Class A Common Stock. Our independent Lead Director directly participated, in person or by telephone, in engagement with unaffiliated stockholders representing approximately 35% of the outstanding Class B Common Stock and over 20% of the outstanding Class A Common Stock.

Increasing transparency to stockholders. We expanded voluntary disclosures in our proxy statement on topics including stockholder engagement, the Board's role in strategy and performance metrics used to determine executive compensation.

Updating key governance policies. Over the past year, our Board has amended the *Statement of Corporate Governance*, the *Insider Trading and Confidentiality Policy* and the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee charters to promote best corporate governance practices.

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PROXY SUMMARY

Corporate Governance Practices

Annual Election of All Directors	All Audit Committee Members are Audit Committee Financial Experts
Majority Vote Standard and Director Resignation Policy in Uncontested Director Elections	Compensation Committee Oversees Chief Executive Officer (CEO) Succession Planning Process
Independent Lead Director with Robust Responsibilities	Robust Anti-Corruption Compliance Program including Compliance Steering Committee overseen by the Audit Committee
Standing Board Committees Comprised Solely of Independent Directors	Active Stockholder Engagement Program with Unaffiliated Class A and Class B Stockholders
Executive Sessions of Independent Directors Held at Every Regular Board Meeting	Comprehensive *Standards of Business Conduct* and *Statement of Corporate Governance*
Annual Board and Committee Self-Evaluations	Commitment to Corporate Diversity
Risk Oversight by the Board and Committees	

Board Nominees

(a) For more details on the Board's leadership structure, including the role and responsibilities of the independent Lead Director, see Corporate Governance Matters—Board Leadership Structure beginning on page 13.

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PROXY SUMMARY

Board Nominee Diversity

Fiscal 2016 Business Highlights

- The Company reported fiscal 2016 total revenues of $8.3 billion, a decrease of 3% over the prior year.
- Income from continuing operations was $235 million for fiscal 2016 as compared to $367 million in the prior year. The Company reported fiscal 2016 Total Segment EBITDA* of $684 million, which includes the impact of a one-time charge of $280 million for the settlement of litigation and related claims involving the Company's News America Marketing division and a one-time gain of $122 million for the settlement of litigation between Move, Inc. (Move), in which the Company owns an 80% interest, and Zillow, Inc. (Zillow), as compared to $945 million in the prior year. Excluding those settlements, Total Segment EBITDA would have been $842 million.
- The Company reported fiscal 2016 net cash provided by continuing operating activities of $952 million. The Company reported fiscal 2016 free cash flow available to News Corporation* of $610 million compared to $595 million in the prior year.
- In September 2015, the Company acquired Unruly Holdings Limited (Unruly), a leading global video distribution platform that is focused on delivering branded video advertising across websites and mobile devices.
- In February 2016, REA Group Limited (REA Group), in which the Company holds a 61.6% interest, increased its investment in iProperty Group Limited (iProperty), which operates leading property sites throughout Southeast Asia, from 22.7% to approximately 86.9%.
- On June 30, 2016, the Company announced that it had agreed to acquire Wireless Group plc (Wireless Group), which operates TalkSPORT, the leading sports radio network in the U.K., and a portfolio of radio stations in the U.K. and Ireland. The acquisition of Wireless Group was completed in the first quarter of fiscal 2017.

* Total Segment EBITDA and free cash flow available to News Corporation are non-GAAP financial measures. For information on these non-GAAP financial measures, as defined by the Company, please see the Company's Annual Report on Form 10-K for the year ended June 30, 2016 filed with the Securities and Exchange Commission (the SEC) on August 12, 2016 on pages 48-49 for Total Segment EBITDA and pages 65-66 for free cash flow available to News Corporation.

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PROXY SUMMARY

Executive Compensation Highlights

- ***Increasing at-risk compensation***. For fiscal 2016, the performance-based portion of total direct compensation increased for our CEO, Chief Financial Officer (CFO) and General Counsel.
- ***Demonstrating alignment of pay with performance***. Based on Company results relative to applicable performance metrics, the fiscal 2016 Annual Incentive Awards paid out at 100 to 133.33% of target, and the fiscal 2014-2016 performance stock units (PSUs) paid out at 80% of target.
- ***Further enhancing compensation governance***. In fiscal 2016, the Board and the Compensation Committee increased required equity ownership multiples for our Non-Executive Directors (as defined herein), CEO and CFO and implemented an anti-pledging policy for executive officers and Directors, among other enhancements.

Executive Compensation Governance Practices

We Pay for Performance	We Seek to Mitigate Compensation-Related Risk
A significant portion of our named executive officers' (NEOs ') total direct compensation is at-risk : 80% for the Executive Chairman 80% for the CEO 73% for the CFO 59% for the General Counsel	Annual compensation risk assessment Clawback policy for NEOs covering both cash and equity compensation Anti-hedging and anti-pledging policy applicable to all executive officers and Directors
100% of equity compensation and 66.7% of annual cash incentive compensation is tied to performance against pre-established, specific, measurable financial performance goals	Rigorous stock ownership guidelines for the CEO, CFO, General Counsel and Non-Executive Directors No guaranteed bonuses
No single trigger cash severance or automatic vesting of equity awards based solely upon a change in control of the Company	Performance on ethics and compliance objectives impacts payout of discretionary portion of annual cash incentive awards

For additional information, see the Compensation Discussion and Analysis, which begins on page 29, and the Summary Compensation Table and other related tables and disclosure in Executive Compensation, which begins on page 45.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Board has nominated 11 Directors for election at this Annual Meeting to hold office until the next annual meeting or until their successors are duly elected and qualified. If, for any reason, any of the Director nominees become unavailable for election, the Directors may reduce the size of the Board or the proxy holders (as defined herein) will exercise discretion to vote for a substitute nominee proposed by the Board. The information with respect to principal occupation or employment, other affiliations and business experience was furnished to the Company by the respective Director nominees. The ages shown are as of October 12, 2016. Each of the Director nominees has indicated that he or she will be able to serve if elected and has agreed to do so.

John Elkann resigned from the Board effective September 30, 2016. The Board thanks Mr. Elkann for his service and contributions. The Board is focused on Board succession planning and is currently conducting a search process, which includes engagement of an independent search firm, to identify an additional independent Director to join the Board.

K. Rupert Murdoch AC, age 85
Executive Chairman

Director since: June 2013

Other Current Reporting Company Directorships: 21st Century Fox (1979-present)

K. Rupert Murdoch AC has served as the Company’s Executive Chairman since December 2012. He has been Executive Chairman of the Company’s former parent, Twenty-First Century Fox, Inc. (formerly named News Corporation) (21st Century Fox), a diversified global media and entertainment company, since July 2015, after serving as its Chief Executive Officer from 1979 to July 2015 and its Chairman since 1991. Since July 2016, he has served as Chairman and acting Chief Executive Officer of 21st Century Fox subsidiaries Fox News Channel and Fox Business Network. Mr. K.R. Murdoch is the father of Messrs. J.R. Murdoch and L.K. Murdoch.

Mr. K.R. Murdoch has been the driving force behind the evolution of the Company and 21st Century Fox from the single, family-owned Australian newspaper he took over in 1953 to the global public media companies they are today. Mr. K.R. Murdoch brings to the Board invaluable knowledge and expertise regarding the Company’s businesses and provides strong operational leadership and broad strategic vision for the Company’s future.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

Lachlan K. Murdoch, age 45
Co-Chairman

Director since: June 2013

Other Current Reporting Company Directorships: 21st Century Fox (1996-present)

Lachlan K. Murdoch has been Co-Chairman of the Company since March 2014. He has been Executive Chairman of 21st Century Fox since July 2015, after serving as its Co-Chairman since March 2014. He has served as Executive Chairman of Nova Entertainment Group, an Australian media company, since 2009. Mr. L.K. Murdoch has served as the Executive Chairman of Illyria Pty Ltd, a private investment company, since 2005. He served as a Director of Ten Network Holdings Limited, an Australian media company, from December 2010 to March 2014 and as its Non-Executive Chairman from February 2012 to March 2014, after serving as its Acting Chief Executive Officer from February 2011 to January 2012. Mr. L.K. Murdoch served as an advisor to 21st Century Fox from 2005 to 2007, and served as its Deputy Chief Operating Officer from 2000 to 2005. Mr. L.K. Murdoch is the son of Mr. K.R. Murdoch and the brother of Mr. J.R. Murdoch.

Mr. L.K. Murdoch brings a wealth of knowledge regarding the Company's operations and the media industry, as well as management and strategic skills, to the Board. Mr. L.K. Murdoch has extensive experience serving in several senior leadership positions within 21st Century Fox, including currently as Executive Chairman, and at various operating units within the Company, in particular as head of News Limited (now known as News Corp Australia) and the *New York Post*.

Robert J. Thomson, age 55
Chief Executive

Director since: June 2013

Robert J. Thomson has served as the Company's Chief Executive since January 2013. He served as Editor- in-Chief of Dow Jones and Managing Editor of *The Wall Street Journal* from 2008 to 2012. Mr. Thomson previously served as Publisher of Dow Jones from 2007 to 2008, after serving as Editor of *The Times* of London from 2002 to 2007. Prior to that role, he was Managing Editor of the U.S. edition of the *Financial Times*.

Through his position as the Company's Chief Executive, Mr. Thomson has an intimate knowledge of the Company's operations. Mr. Thomson has extensive business, operational and international experience in the publishing industry through his career as a financial journalist, foreign correspondent and editor. Under his management and leadership, *The Wall Street Journal* was consistently one of the most innovative and successful newspapers in the U.S. and also greatly expanded its global reach through the digital initiatives of WSJ.com. As Managing Editor of the U.S. edition of the *Financial Times*, Mr. Thomson led its drive into the U.S. market, where sales trebled during his tenure. His keen understanding of the evolving U.S. and international markets in which the Company operates and his commitment to generating high quality content make him a valuable resource for the Board.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

José María Aznar, age 63
Director since: June 2013

Committees: Nominating and Corporate Governance (Chair)

José María Aznar has served as the President of the Foundation for Social Studies and Analysis, a political research and educational organization focused on Spain, since 1989. Mr. Aznar has served on the Board of Directors of Afiniti, a developer of artificial intelligence systems, since 2016. Mr. Aznar has been a senior advisor to the Global Board of DLA Piper LLP since 2015 and a member of the International Advisory Board of Barrick Gold Corporation since 2011. From 2011 until 2015, Mr. Aznar was a Distinguished Fellow at the Johns Hopkins University Paul H. Nitze School of Advanced International Studies, where he was also Chairman of the Atlantic Basin Initiative. He was previously a Distinguished Scholar at the Edmund A. Walsh School of Georgetown University from 2004 to 2011. Mr. Aznar is the Honorific President of the Partido Popular of Spain and served as its Executive President from 1990 to 2004. Mr. Aznar was a member of The State Council of Spain from 2005 to 2006 and served as the President of Spain from 1996 to 2004. Mr. Aznar served as a Director of 21st Century Fox from 2006 until June 2013.

Mr. Aznar, with his extensive experience, including serving as President of Spain, brings knowledge, expertise and an international perspective to the Board, providing valuable insight into political and governmental matters throughout the world. He has a unique and deep knowledge with respect to several countries in which the Company operates.

Natalie Bancroft, age 36
Director since: June 2013

Committees: Compensation; Nominating and Corporate Governance

Natalie Bancroft is a professionally trained opera singer, has studied journalism and is a graduate of L'Institut de Ribaupierre in Lausanne, Switzerland. Ms. Bancroft has a culturally diverse background, having lived across Europe, and speaks several languages fluently. Ms. Bancroft served as a Director of 21st Century Fox from 2007 until June 2013.

Ms. Bancroft brings public company board and committee experience to the Board gained from her service as a current Director and member of both the Company's Compensation and Nominating and Corporate Governance Committees, and as a former Director of 21st Century Fox and member of its Nominating and Corporate Governance Committee. Ms. Bancroft's public company board and committee service and international experience add valuable perspective to the deliberations of the Board.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

Peter L. Barnes, age 73
Lead Director

Director since: June 2013

Committees: Audit (Chair); Compensation

Peter L. Barnes has been the Lead Director of the Company since June 2013. Mr. Barnes was a Director of Metcash Limited, a wholesale distribution and marketing company, from 2005 until August 2015, having served as its Chairman since 2010 and as a Director of its predecessor from 1999 to 2005. Mr. Barnes was also formerly a Director of Ansell Limited from 2001 to 2012, having served as its Chairman from 2005 to 2012. Mr. Barnes served in various senior management positions in the United States, the United Kingdom and Asia at Philip Morris International Inc. from 1971 to 1998, including as President of Philip Morris Asia Inc. Mr. Barnes served as a Director of 21st Century Fox from 2004 until June 2013.

Mr. Barnes brings to the Board the leadership, operational and financial skills gained in his several roles at Philip Morris, as well as through his service as a Director at a number of private and public companies, including his service as Chairman of several of these companies.

Elaine L. Chao, age 63
Director since: June 2013

Committees: Audit; Nominating and Corporate Governance

Other Current Reporting Company Directorships: Ingersoll-Rand PLC (2015-present); Vulcan Materials Company (2015-present); Wells Fargo & Co. (2011-present)

Elaine L. Chao served as the 24th U.S. Secretary of Labor from 2001 to 2009. Ms. Chao joined the Hudson Institute, a public policy and research organization based in Washington, D.C., as a Distinguished Fellow in June 2016. She is also chairwoman of the Ruth Mulan Chu Chao Foundation. Ms. Chao was previously a Distinguished Fellow at the Heritage Foundation, a research and educational organization based in Washington D.C., from 2009 to June 2016. Ms. Chao previously served as President and Chief Executive Officer of United Way of America. Her prior government service includes serving as Director of the Peace Corps and as Deputy Secretary at the U.S. Department of Transportation. Prior to her government service, she was Vice President of Syndications at Bank of America and a banker with Citicorp. Ms. Chao was formerly a Director of 21st Century Fox from 2012 until 2013, Dole Food Company, Inc. from 2009 until 2013 and Protective Life Corporation from 2011 until 2015.

Ms. Chao's work in the public, private and non-profit sectors includes vast experience leading large scale, complex and highly visible organizations. She offers the Board valuable insights on macroeconomics, competitiveness, workforce and pension issues and corporate governance as well as an extensive knowledge of the U.S. government at the federal and state levels and the non-profit sector.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

Joel I. Klein, age 69
Director since: June 2013

Other Current Reporting Company Directorships: Boston Properties, Inc. (2013-present)

Joel I. Klein has served as the Chief Policy and Strategy Officer of Oscar Insurance Corporation, a health insurance company with a focus on technology, since January 2016. Mr. Klein served as Chief Executive Officer of Amplify, a digital education business formerly owned by the Company, from 2011 until the Company's sale of Amplify in September 2015, and as an Executive Vice President, Office of the Chairman of the Company from June 2013 until December 2015. Mr. Klein previously served as a Director and Executive Vice President of 21st Century Fox from 2011 until June 2013. He was the Chancellor of the New York City public school system from 2002 through 2010. He was the U.S. Chairman and Chief Executive Officer of Bertelsmann, Inc. and Chief U.S. Liaison Officer to Bertelsmann AG from 2001 to 2002. Mr. Klein also served with the Clinton administration in a number of roles, including Deputy White House Counsel from 1993 to 1995. Mr. Klein also serves on the Board of Boston Properties, Inc., where he is the lead independent director.

Mr. Klein contributes deep knowledge of the Company and its businesses gained through his roles at News Corporation and 21st Century Fox. Mr. Klein brings to the Board strong leadership skills gained from his decades of service in senior executive roles in the private and public sectors, as well as legal expertise.

James R. Murdoch, age 43
Director since: June 2013

Other Current Reporting Company Directorships: 21st Century Fox (2007-present)

James R. Murdoch has been the Chief Executive Officer of 21st Century Fox since July 2015, after serving as its Co-Chief Operating Officer from March 2014 to July 2015. He previously served as the Deputy Chief Operating Officer and Chairman and Chief Executive Officer, International of 21st Century Fox from 2011 to 2014, after serving as 21st Century Fox's Chairman and Chief Executive, Europe and Asia beginning in 2007. Since April 2016, Mr. J.R. Murdoch has served as Chairman of Sky plc (formerly British Sky Broadcasting Group), a pan-European digital television provider in which 21st Century Fox holds an approximate 39% interest, where he has served as a Director since 2003, as Chief Executive Officer from 2003 to 2007 and as Chairman from 2007 to 2012. Mr. J.R. Murdoch was the Chairman and Chief Executive Officer of STAR Group Limited, a subsidiary of 21st Century Fox, from 2000 to 2003. Mr. J.R. Murdoch previously served as an Executive Vice President of 21st Century Fox, and served as a member of the Board from 2000 to 2003. Mr. J.R. Murdoch was formerly a Director of GlaxoSmithKline plc from 2009 to 2012 and Sotheby's from 2010 to 2012. Mr. J.R. Murdoch is the son of Mr. K.R. Murdoch and the brother of Mr. L.K. Murdoch.

Mr. J.R. Murdoch brings to the Board deep expertise from having served in a number of leadership positions within 21st Century Fox and at its affiliates over the past two decades, culminating in his appointment as Chief Executive Officer in 2015. His broad-based experience, extensive knowledge of international markets, unique understanding of emerging technologies and strategic perspective of the Company's business and operations enable him to be a valuable resource for the Board.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

Ana Paula Pessoa, age 49
Director since: June 2013

Committees: Audit

Ana Paula Pessoa has been the Chief Financial Officer of the 2016 Olympic and Paralympic Summer Games in Rio de Janeiro since September 2015. She previously served as a Partner at Brunswick Group, an international corporate communications firm, from May 2012 to August 2015. Ms. Pessoa was a founding Partner of Black-Key Participações SA, which invests in digital start-up companies in Brazil, before selling her position in March 2015. She was also an investor and a partner of Neemu.com, an e-commerce technology firm, before selling her position in August 2015. She is also the founder of Avanti SC, a strategic planning consulting firm, where she has served as a consultant since 2000. Ms. Pessoa previously served in numerous roles during her 18-year career at the Globo Organizations (Globo), a media group in South America, most recently as the Chief Financial Officer from 2001 to 2011 and New Business Director from 2008 to 2011 of Infoglobo, the newspaper, Internet and information services business of Globo. She also served as a Director of Globo's subsidiaries including Valor Economico, a financial newspaper in Brazil, and Zap Internet, an online classified service in Brazil, from 2001 to 2011 and as a Director of SPIX Macaw Internet SA, an online news distribution start-up company, from 2009 to 2011. Ms. Pessoa currently serves on the Board of Directors of Vinci S.A., a French infrastructure company, and is a member of the Strategy and Investments Committee. She also serves as a member of the Audit Committee of Fundacao Roberto Marinho, as a member of the Rio de Janeiro City Council and as a member of the advisory board of The Nature Conservancy Brasil.

During her tenure at Globo, Ms. Pessoa gained extensive experience in its newspaper, Internet, cable and satellite television and telecom operations. Along with this media expertise, she brings to the Board strong business development and financial skills.

Masroor Siddiqui, age 44
Director since: June 2013

Committees: Audit; Compensation (Chair)

Masroor Siddiqui is the Chief Executive Officer of Naya Capital Management UK Limited (formerly Naya Management LLP), an investment firm he co-founded in May 2012. He was previously a Partner at The Children's Investment Fund Management (UK) LLP, a hedge fund, from 2009 to 2011 and a Managing Director at Canyon Partners, an investment firm, from 2006 to 2009. Mr. Siddiqui previously served as a Senior Vice President at Putnam Investments, where he was responsible for a broad range of investments.

Mr. Siddiqui has significant experience in investing with a focus on media investments. He offers the Board valuable insights on global markets and industries relevant to the Company's businesses.

FOR **THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED ABOVE.**

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CORPORATE GOVERNANCE MATTERS

The Company is committed to maintaining a strong ethical culture and robust governance practices that benefit the long-term interests of stockholders. Our Board regularly reviews and updates its compliance and training programs and corporate governance policies and practices in light of stockholder feedback, changes in applicable laws, regulations and stock exchange requirements and the evolving needs of the Company s business. Our corporate governance practices include:

Board Composition and Practices	Majority of independent Directors Independent Lead Director with robust responsibilities Executive sessions of independent Directors held at every regular Board meeting Annual Board and committee self-evaluations
Board Committees	Standing Board Committees comprised solely of independent Directors Committees authorized to retain independent advisors All Audit Committee members are audit committee financial experts Compensation Committee oversees CEO succession planning process
Stockholder Rights and Engagement	Annual election of all Directors Majority vote standard and Director resignation policy in uncontested Director elections Annual stockholder advisory vote to approve executive compensation Active stockholder engagement program with our unaffiliated Class A and Class B stockholders
Risk and Compliance Oversight	Board oversees management's identification and management of risk Involvement at both full Board and individual committee level Audit Committee assists the Board in its oversight of the Anti-Corruption Compliance Program and the activities of the Company's Compliance Steering Committee
Equity and Compensation	Stock ownership guidelines for the CEO, CFO, General Counsel and Non-Executive Directors Prohibitions on hedging and pledging Company stock by executive officers and Directors Clawback policy for executive officers covering both cash and equity compensation

Corporate Governance Policies

The Board has adopted a *Statement of Corporate Governance* that sets forth the Company s corporate governance guidelines and practices. The *Statement of Corporate Governance* addresses, among other things, the composition and functions of the Board and its committees, Director independence, Board membership criteria, Director compensation and equity ownership requirements and management evaluation and succession.

The Board has also adopted the *Standards of Business Conduct*, which are applicable to all Directors, officers and employees of the Company.

The *Standards of Business Conduct* confirm the Company s policy to conduct its affairs in compliance with all applicable laws and regulations and observe the highest standards of business ethics. To promote further ethical and responsible decision-making, the Board has established the *Code of Ethics for the Chief Executive Officer and Senior Financial Officers* (the *Code of Ethics*).

The *Statement of Corporate Governance*, the *Standards of Business Conduct*, the *Code of Ethics* and each of the Board committee charters are available on the Company s website at ***newscorp.com*** under About

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CORPORATE GOVERNANCE MATTERS

Us—Corporate Governance and in print to any stockholder who requests them from the Corporate Secretary at our principal executive offices: News Corporation, 1211 Avenue of the Americas, New York, New York 10036. If the Company amends or waives the

Standards of Business Conduct or the *Code of Ethics* with respect to an executive officer or Director, it will post the amendment or waiver at the same location on its website.

Stockholder Engagement

The Board believes that continual and transparent communication with our stockholders is a key component of strong corporate governance. In fiscal 2016, the independent Directors identified stockholder outreach as an area of priority and directed the expansion of the Company s engagement program to include a specific focus on corporate governance. Our Board and our senior management engaged with unaffiliated stockholders representing over 35% of the outstanding Class B Common Stock and approximately 60% of the outstanding Class A Common Stock. Our independent Lead Director directly participated, in person or by telephone, in engagement with

unaffiliated stockholders representing approximately 35% of the outstanding Class B Common Stock and over 20% of the outstanding Class A Common Stock. The Board strongly values the feedback our stockholders have provided on a wide range of topics including Board oversight of our business strategy, capital allocation, corporate governance, Board composition, management succession planning, executive compensation, sustainability and the Company s financial and operating performance. This input is shared with the Board and its relevant committees and informs the Company s strategy and policies as we seek to build long-term value for our stockholders.

Annual Director Elections and Majority-Voting Policy

All Directors are elected annually by our stockholders. In an uncontested election, each Director must be elected by a majority of the votes cast, meaning that the number of votes cast FOR a Director s election must exceed the number of votes cast AGAINST that Director s election. In a contested election, each Director will be elected by a plurality of votes cast. Under the Company s Amended and Restated By-laws (the By-laws), an

incumbent Director who does not receive a majority of votes cast in an uncontested election must submit his or her resignation to the Board within 10 days. Within 90 days of the date of the certification of the election results, the Board will determine, considering all factors it deems relevant (including those set forth in our *Statement of Corporate Governance*), whether to accept the resignation.

Director Independence

Our *Statement of Corporate Governance* requires that the Board be comprised of a majority of independent directors in accordance with the listing rules of the NASDAQ Stock Market (NASDAQ). The Board, upon the recommendation of the Nominating and Corporate Governance Committee, will review and determine the independence of each Director at least annually and at other times as appropriate. The Board considers all relevant facts and circumstances in making an independence determination as to each Director, including but not limited to any relationships and

transactions between the Director (and his or her immediate family members and affiliated entities) and the Company and its affiliates.

As a result of its review, the Board affirmatively determined that Mmes. Bancroft, Chao and Pessoa and Messrs. Aznar, Barnes and Siddiqui are independent under the standards adopted by the Company and set forth in the NASDAQ listing rules. The Board also determined that John Elkann, who served on the Board during fiscal 2016, was independent.

Independent Oversight and Executive Sessions of Independent Directors

The Board believes its independent oversight function is further enhanced by our Audit, Compensation and Nominating and Corporate Governance Committees being comprised entirely of independent Directors.

In addition, the independent Directors of the Board generally meet in executive session without management present at every regularly scheduled Board meeting. During fiscal 2016, the independent Directors met in executive session at all six Board meetings.

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Board Leadership Structure

Executive Chairman: K. Rupert Murdoch	Co-Chairman: Lachlan K. Murdoch
Independent Lead Director: Peter L. Barnes	Chief Executive: Robert J. Thomson

Mr. K.R. Murdoch serves as the Executive Chairman of the Board, while Mr. Thomson serves as the Chief Executive Officer and a Director. Both Mr. K.R. Murdoch and Mr. Thomson are considered executive officers of the Company. Our *Statement of Corporate Governance* provides that the Board is responsible for establishing and maintaining the most effective leadership structure for the Company. To retain flexibility in carrying out this responsibility, the Board does not have a policy on whether the Chairman of the Board shall be an independent member of the Board. However, if the Chairman is not an independent Director, an independent Director shall be designated by a majority of the independent Directors of the Board to serve as Lead Director for a period of at least one year. Mr. Barnes, an independent Director, currently serves

as our Lead Director. The remaining Directors include Mr. L.K. Murdoch, our Co-Chairman, and seven other Directors (five of whom are independent). A majority of the Directors are independent.

The Board believes our current leadership structure is effective and serves the best interests of our stockholders at this time. The Board believes that this structure allows our Chief Executive to focus on his duties in managing the day-to-day operations of the Company, while benefiting from Mr. K.R. Murdoch s and Mr. L.K. Murdoch s invaluable knowledge and expertise regarding the Company s businesses. In addition, the Board believes that the role of the Lead Director is structured with sufficient authority to serve as a counter-balance to management.

Lead Director Duties and Responsibilities

- presiding over all meetings of the Board at which the Chairman is not present, including executive sessions of the Non-Executive Directors and the independent Directors
- communicating to the Chairman feedback from executive sessions as appropriate
- serving as liaison between the Chairman and the independent Directors
- meeting with the Audit Committee and/or the Compliance Steering Committee periodically
- approving Board meeting agendas and information sent to the Board
- approving meeting schedules to assure that there is sufficient time for discussion of all agenda items
- calling meetings of the Non-Executive Directors and/or independent Directors, if desired
- participating in the Compensation Committee’s evaluation of the performance of the CEO
- supervising the self-evaluations of the Directors in coordination with the Nominating and Corporate Governance Committee
- supervising the Board’s determination of the independence of its Directors
- ensuring his or her availability for consultation and direct communications, if requested by major stockholders

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Peter L. Barnes has served as Lead Director since June 2013. In recognition of his strong leadership and skills, the independent members of the Board re-elected Mr. Barnes as Lead Director in August 2016 for a term of one year. In fiscal 2016, Mr. Barnes performed duties beyond the required duties set forth above, which included:

- attending meetings of the Nominating and Corporate Governance Committee, of which Mr. Barnes is not a member;
- regularly consulting with other independent Directors between meetings;
- regularly meeting with senior management, including to report feedback from the independent Directors; and
- meeting in person and telephonically with a significant number of unaffiliated holders of both Class A Common Stock and Class B Common Stock, and reporting feedback from these stockholders to the full Board.

The Board reviews its leadership structure at least annually, taking into account the responsibilities of the leadership positions and the Directors qualified to hold such positions. In conducting this review, the Board considers, among other things: (i) our policies and practices that provide independent Board oversight, (ii) the effect a particular leadership structure may have on Company performance, (iii) the structure that serves the best interests of our stockholders, and (iv) any relevant legislative or regulatory developments.

Board Committees

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee is governed by a written charter approved by the Board. For more information see —Corporate Governance Policies.

Audit Committee	Primary Responsibilities
Met 7 times in fiscal 2016 **Members** Peter Barnes (Chair) Elaine Chao Ana Paula Pessoa Masroor Siddiqui	Assist the Board in its oversight of: the Company’s accounting and financial reporting processes and systems of internal control, including the audits of the Company’s financial statements and the integrity of its financial statements; the qualifications, independence and performance of the Company’s independent registered public accounting firm and the performance of the Company’s corporate auditors and corporate audit function; the Company’s compliance with legal and regulatory requirements involving financial, accounting and internal control matters; investigations into complaints concerning financial matters; risks that may have a significant impact on the financial statements; the Anti-Corruption Compliance Program and the activities of the Compliance Steering Committee; and the review, approval and ratification of transactions with related parties. **Financial Expertise and Independence** The Board has determined that all of the members of the Audit Committee are financially literate (in accordance with NASDAQ listing rules), audit committee financial experts (as defined under SEC rules) and independent (in accordance with SEC rules and NASDAQ listing rules for directors and audit committee members). **Report** The Report of the Audit Committee is set forth on page 25 of this proxy statement.

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Compensation Committee

Met 4 times in fiscal 2016

Members

Masroor Siddiqui (Chair)
Natalie Bancroft
Peter Barnes

Primary Responsibilities

to review and approve goals and objectives relevant to the compensation of the CEO, to evaluate the performance of the CEO and to recommend to the Board the compensation of the CEO;

to exercise primary responsibility for administering the incentive compensation plans in which the Company's executive officers participate and the Company's equity-based plans, including the granting of awards thereunder;

to review and approve equity awards and other fixed and performance-based compensation, benefits and terms of employment of the executive officers and such other senior executives identified by the Compensation Committee;

to review and approve employment and severance arrangements for executive officers, including employment agreements, separation agreements and change-in-control provisions, plans or agreements;

to review and approve or ratify principal terms of other employment arrangements (excluding arrangements for talent) where the sum of the base salary, bonus target and long-term incentive target is equal to or greater than a specified threshold amount;

to review and approve other separation obligations that exceed by more than a specified amount those provided for in an employment agreement required to be approved or ratified by the Compensation Committee;

to review the recruitment, retention, compensation, termination and severance policies for senior executives;

to review and assist with the development of executive succession plans and to consult with the CEO regarding the selection of senior executives;

to review the compensation of Non-Executive Directors for service on the Board and its committees and to recommend changes in compensation to the Board;

to review the compensation policies and practices of the Company and its subsidiaries to determine whether they create risk-taking incentives that are reasonably likely to have a material adverse impact on the Company; and

to oversee engagement and communications with stockholders on executive compensation matters, and review and assess the results of stockholder votes on executive compensation matters, including the Company's most recent advisory vote on executive compensation.

Independence

The Board has determined that all of the members of the Compensation Committee are non-employee directors (within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act)), outside directors (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")) and independent (in accordance with SEC rules and NASDAQ listing rules for directors and compensation committee members).

Delegation

Pursuant to its charter, the Compensation Committee may delegate its authority to one or more subcommittees, members of the Board or officers of the Company, to the extent permitted by law, as it deems appropriate. The Compensation Committee has delegated to Messrs. K.R. Murdoch and Thomson the authority to make awards of stock-based compensation within certain prescribed limits to non-executive officers of the Company. Any awards made by Messrs. K.R. Murdoch or Thomson pursuant to this authority are reported to the Compensation Committee on an annual basis. Further discussion of the processes and procedures for the consideration and determination of the compensation paid to the NEOs during fiscal 2016, including discussion of the role of compensation consultants, is found in the section titled Compensation Discussion and Analysis below.

Report

The Report of the Compensation Committee is set forth on page 44 of this proxy statement.

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Nominating and Corporate Governance Committee **Met 5 times in fiscal 2016** **Members** José María Aznar (Chair) Natalie Bancroft Elaine Chao	**Primary Responsibilities** to develop and recommend to the Board criteria for identifying and evaluating Director candidates and periodically review these criteria; to review the qualifications of candidates for Director suggested by Board members, stockholders, management and others in accordance with criteria recommended by the Nominating and Corporate Governance Committee and approved by the Board; to establish procedures for consideration of Board candidates recommended for the Nominating and Corporate Governance Committee's consideration by the Company's stockholders; to consider the performance, contributions and independence of incumbent Directors in determining whether to nominate them for re-election; to recommend to the Board a slate of nominees for election or re-election to the Board at each annual meeting of stockholders; to recommend to the Board candidates to be elected to the Board as necessary to fill vacancies and newly created directorships; to make recommendations to the Board as to determinations of Director independence; to advise and make recommendations to the Board on corporate governance matters; and to develop and recommend to the Board, in coordination with the Lead Director, an annual self-evaluation process for the Board. **Independence** The Board has determined that all of the members of the Nominating and Corporate Governance Committee are independent (in accordance with SEC rules and NASDAQ listing rules for directors).

Director Attendance

Our *Statement of Corporate Governance* provides that Directors are expected to attend meetings of the Board and meetings of the Board committees on which they serve. During fiscal 2016, the Board held six meetings. Each of our current Directors attended at least 75% of the aggregate number of meetings of the Board and the committees on which he or she

served (held during the period that he or she served).

Directors are also encouraged to attend and participate in the Company s annual meeting of stockholders. Nine of the then serving Directors attended the annual meeting of stockholders held by the Company in October 2015.

Board s Role in Strategy

Our Board sets the strategic vision for the Company. As part of this process, the Board reviews the Company s long-term strategic plan at least annually

and monitors implementation of the strategic plan throughout the year. The Board generally discusses strategy at every regular meeting.

Board Oversight of Risk

Risk management is primarily the responsibility of management; however, the Board oversees management s identification and management of risks to the Company. The Board does not view risk in

isolation; it considers risks in making significant business decisions and as part of the Company s overall business strategy. The Board uses various means to fulfill this oversight responsibility. The

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Board, and its committees, as appropriate, regularly discuss and receive periodic updates from the CEO, CFO, General Counsel and other members of senior management regarding significant risks to the Company, including in connection with the annual review of the Company s business plan and its review of budgets, strategy and major transactions. These discussions include operational, strategic, legal and regulatory, financial and reputational risks, and the plans to address these risks.

Each of the Board s standing committees assists the Board in overseeing the management of the Company s risks within the areas delegated to that committee, which then reports to the full Board as appropriate. In particular:

- the Audit Committee oversees risks relating to its review of the Company's financial statements and financial reporting processes, and its oversight of the Company s Compliance Steering Committee;
- the Compensation Committee monitors risks associated with the design and administration of the Company's compensation programs; and
- the Nominating and Corporate Governance Committee oversees risk as it relates to the Company's corporate governance processes.

Each standing committee has full access to management, as well as the ability to engage advisors.

Related Party Transactions Policy

Procedures for Approval of Related Party Transactions

The Audit Committee has established written procedures for the review, approval or ratification of related party transactions. Pursuant to these procedures, the Audit Committee reviews and approves or ratifies, as appropriate, (i) all transactions between the Company and any of its executive officers, Directors, Director nominees or Directors emeritus, (ii) all transactions between the Company and any security holder who is known by the Company to own of record or beneficially more than five percent of the Company and (iii) all transactions between the Company and any person who is an immediate family member of an executive officer, Director, Director nominee or a security holder described in the foregoing clause (ii), other than, in each of clauses (i) through (iii) above, (a) transactions that are made in the ordinary course of business and have an aggregate dollar amount or value of less than $120,000 (either individually or in combination with a series of related transactions) and (b) transactions that are available to all employees generally.

During fiscal 2016, all of the transactions described in this section that were subject to the Audit Committee s policies and procedures were reviewed and approved or ratified by the Audit Committee or the Board.

Certain Relationships

Shiva Swami, the brother-in-law of Bedi Ajay Singh, the Company s CFO, has provided information technology services on an arms-length, ordinary course basis to Move, in which the Company owns an 80% interest,

through an intermediary service company. In fiscal 2016, Mr. Swami received approximately $466,000 for his work providing these services. Mr. Swami has also been engaged to provide similar services to News America Marketing, a division of the Company, for which he is expected to receive over $120,000 in fiscal 2017.

Nisha Bedi, the daughter of Mr. Singh, was employed by Serene Corporation (Serene), a systems integration company and consulting firm, which provides project management services on an arms-length, ordinary course basis to Move.

In fiscal 2016, Move paid approximately $4 million to Serene in connection with a customer experience project and Ms. Bedi received approximately $115,000 from Serene for her work on this project. As of March 14, 2016, Ms. Bedi is employed at Move as a Business Analyst, and her annual total compensation is approximately $135,000. In fiscal 2016, Ms. Bedi was paid approximately $42,000 for such employment. Ms. Bedi s compensation was established in accordance with the Company s employment and compensation practices applicable to employees with similar qualifications and responsibilities.

News Corp Australia, a division of the Company, and REA Group, in which the Company owns a 61.6% interest, and their respective subsidiaries purchase advertising on an arms-length, ordinary course basis from Nova Entertainment Group (Nova), of which Mr. L.K. Murdoch, Co-Chairman of the Company, serves as Executive Chairman and in which he holds an indirect 100% interest. In fiscal 2016, the aggregate value of such transactions was

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approximately $1.1 million, representing less than 5% of recipient s revenues. In addition, Nova purchases advertising on an arms-length, ordinary course basis from News Corp Australia. In fiscal 2016, the aggregate value of such transactions was approximately $700,000, representing less than 5% of recipient s revenues. Pursuant to existing arrangements, News Corp Australia is expected to receive approximately $140,000 in advertising revenue from Nova in fiscal 2017.

In fiscal 2016, HarperCollins, a division of the Company, made payments of less than $100,000 for

book royalty advances on an arms-length, ordinary course basis to Union Literary, a literary agency of which Trena Keating, the spouse of David B. Pitofsky, the Company s General Counsel, is a partner. Ms. Keating received approximately $10,000 of such amount. Pursuant to existing arrangements, Union Literary is expected to receive future payments from HarperCollins of less than $150,000, of which amount Ms. Keating is expected to receive approximately $20,000.

CEO Succession Planning

Our *Statement of Corporate Governance* provides that the Board will annually review CEO succession. The Compensation Committee, in consultation with the CEO, reviews and assists with the development of executive succession plans. The CEO provides the

Compensation Committee with an assessment of members of senior management and their succession potential. The Compensation Committee reports the results of these assessments to the Board.

Annual Board and Committee Evaluations

The Lead Director and the Nominating and Corporate Governance Committee are responsible for overseeing an annual self-evaluation process for the Board that includes an assessment, among other things, of the Board s maintenance and implementation of the Company s standards of conduct and corporate governance policies. The review seeks to identify specific areas, if any, in need of improvement or strengthening and culminates in a discussion by the full Board of the results and any actions to be taken. Each standing committee of the Board evaluates its performance on an annual basis and reports to the Board on such evaluation.

Over the past year, each Director completed a written questionnaire on topics including Board composition and structure, Board and committee responsibilities and effectiveness, Director engagement and performance, and Board meetings and resources. The results were discussed by the full Board, with management, and in an executive session of the independent Directors. In addition, each committee conducted its own self-evaluation and reported on the same to the full Board.

Director Nomination Process

The Nominating and Corporate Governance Committee develops criteria for filling vacant Board positions, taking into consideration such factors as it deems appropriate, including the candidate s:

- education and background;
- leadership and ability to exercise sound judgment;
- general business experience and familiarity with the Company’s businesses; and
- unique expertise or perspective that will be of value to the Company.

Candidates should not have any interests that would materially impair their ability to exercise independent

judgment or otherwise discharge the fiduciary duties of our Directors. All candidates must possess personal integrity and ethical character, and value and appreciate these qualities in others. It is expected that each Director will devote the necessary time to fulfill the duties of a Director. In this regard, the Nominating and Corporate Governance Committee will consider the number and nature of each Director s other commitments, including other directorships.

Although the Board does not have a formal policy with respect to diversity in identifying Director nominees, the Nominating and Corporate Governance Committee seeks to promote through the nomination process an appropriate diversity on

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the Board of professional background, experience, expertise, perspective, age, gender, ethnicity and country of citizenship, and assess the effectiveness of these factors in the Director selection and nomination process. The current composition of the Board reflects those efforts and the importance of diversity to the Board. The Company also maintains a *Corporate Diversity Statement*, which describes our diversity and inclusion objectives and efforts. The *Corporate Diversity Statement* is available on the

Company s website at ***newscorp.com*** under About Us—Corporate Governance—Corporate Diversity Statement.

After completing its evaluation of a potential Director nominee, the Nominating and Corporate Governance Committee will make a recommendation to the full Board, which makes the final determination whether to nominate or appoint the Director nominee.

Stockholder Recommendation of Director Candidates

Stockholders may recommend Director candidates for consideration by the Nominating and Corporate Governance Committee by submitting their names and appropriate background and biographical information in writing to the attention of the Corporate Secretary at News Corporation, 1211 Avenue of the Americas, New York, New York 10036. Director candidates recommended by stockholders should meet the Director qualifications set forth under the heading Board Membership Criteria in the *Statement of Corporate Governance*. Director

candidates recommended by stockholders who meet these Director qualifications will be considered by the Chair of the Nominating and Corporate Governance Committee, who will present the information on the candidate to the entire Nominating and Corporate Governance Committee. All Director candidates recommended by stockholders will be considered by the Nominating and Corporate Governance Committee in the same manner as any other candidate.

Communicating with the Board

Stockholders and other persons interested in communicating with any Director, any committee of the Board or the Board as a whole may do so by submitting such communication in writing and sending it by mail to the attention of the appropriate party or to the attention of our Lead Director, Mr. Peter L. Barnes, at News Corporation, 1211 Avenue of the Americas, New York, New York 10036 or by email to ***Peter.Barnes@newscorp.com***.

Pursuant to the process established by the Nominating and Corporate Governance Committee for handling all communications received by the Company and addressed to the Board, the Corporate

Secretary reviews and forwards such communications as appropriate. Certain items that are unrelated to the duties and responsibilities of the Board will not be forwarded such as: business solicitation or advertisements; product-related inquiries; junk mail or mass mailings; resumes or other job-related inquiries; spam and unduly hostile, threatening, potentially illegal or similarly unsuitable communications. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company s internal audit department and handled in accordance with the procedures established by the Audit Committee with respect to such matters.

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Directors fees are not paid to Directors who are executives or employees of the Company (collectively, the Executive Directors) because the responsibilities of Board membership are considered in determining compensation paid as part of the Executive Directors normal employment conditions.

The basic fees payable to the Directors who are not executives of the Company (collectively, the Non-Executive Directors) are reviewed and recommended by the Compensation Committee and set by the Board. The Compensation Committee periodically reviews Director compensation against that of the Company s peers and other comparably sized companies of the Standard & Poor s 500 (S&P 500). In such review, the Compensation Committee considers the appropriateness of the form and amount of Director compensation and makes recommendations to the Board concerning Director compensation with a view toward attracting and retaining qualified Directors. The Company believes that compensation for Non-Executive Directors should be competitive and fairly reflect the work and skills required for a company of News Corporation s size and complexity. The Company also believes that Non-Executive Director compensation should include equity-based compensation in order to further align Directors interests with the long-term interests of stockholders.

During fiscal 2016, the Non-Executive Directors were Mmes. Bancroft, Chao and Pessoa and Messrs. L.K. Murdoch, Aznar, Barnes, Elkann, Klein (beginning with the third quarter of fiscal 2016), J.R. Murdoch and Siddiqui. The annual retainers paid to Non-Executive Directors for service on the Board and its committees in fiscal 2016 and to be paid in fiscal 2017 are set forth in the table below.

Board and Committee Retainers for the Fiscal Year Ended June 30, 2016

Annual Cash Retainer	$ 100,000
Annual Deferred Stock Unit (DSU) Retainer	$ 145,000
Lead Director Annual Retainer	$ 35,000
Audit Committee Chair Annual Retainer	$ 20,000
Compensation Committee Chair Annual Retainer	$ 12,000
Nominating and Corporate Governance Committee Chair Annual Retainer	$ 10,000
Audit Committee Member Annual Retainer	$ 8,000
Compensation Committee Member Annual Retainer	$ 6,000
Nominating and Corporate Governance Committee Member Annual Retainer	$ 6,000

DSUs are awarded to Non-Executive Directors on a quarterly basis on July 1, October 1, January 1 and April 1 of each year (or the first trading day following such date) (each, a DSU Grant Date). The number of DSUs awarded each DSU Grant Date is based on the closing price of the Company s Class A Common Stock on such DSU Grant Date. DSUs will vest upon the earlier of (i) the July 1, October 1, January 1 or April 1 closest to the fifth anniversary of the DSU Grant Date (or the first trading day following such date) and (ii) the date of the Director s end of service (or the first trading day following such date) (each, a DSU Vest Date), at which time DSUs will be payable in cash based on the closing price of the Company s Class A Common Stock on such DSU Vest Date. In June 2016, the Compensation Committee determined to grant dividend equivalents on DSUs, beginning with the fiscal 2017 Annual DSU Retainer, in order to further align the Non-Executive Directors compensation with total return to stockholders. Such dividend equivalents will be represented by additional DSUs and will be payable when the underlying award vests.

In addition, all Non-Executive Directors are reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the Board and its committees. We may invite the spouse or family members of each Non-Executive Director to attend events associated with Board meetings or other Company-related events. To the extent costs for these activities and costs for any other personal benefits for a Director exceeds $10,000 for the year, they are included in the amounts in the table below.

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DIRECTOR COMPENSATION

The table below shows the total compensation paid during fiscal 2016 by the Company to each of the Directors who served during fiscal 2016 and who are not NEOs. The compensation paid to Mr. Klein set forth below includes that paid (i) in respect of his service as Chief Executive Officer of Amplify, a digital education business formerly owned by the Company, through September 2015 and as Executive Vice President, Office of the Chairman through the second quarter of fiscal 2016, during which time, as an Executive Director, Mr. Klein did not receive any additional compensation for his service as a member of the Board; and (ii) in respect of his service as a Non-Executive Director beginning the third quarter of fiscal 2016.

Director Compensation for the Fiscal Year Ended June 30, 2016

Name	Fees Earned or Paid in Cash		Stock Awards[(a)]		Option Awards	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation[(b)]		Total
Lachlan K. Murdoch	$ 100,000		$ 181,250		N/A	N/A	$ 708,458	(c)	$ 989,708
José María Aznar	$ 116,000		$ 181,250		N/A	N/A	$ 13,926		$ 311,176
Natalie Bancroft	$ 112,000		$ 181,250		N/A	N/A	$ 15,928		$ 309,178
Peter L. Barnes	$ 169,000		$ 181,250		N/A	N/A	$ 11,314		$ 361,564
Elaine L. Chao	$ 114,000		$ 181,250		N/A	N/A	N/A		$ 295,250
John Elkann[(d)]	$ 100,000		$ 181,250		N/A	N/A	N/A		$ 281,250
Joel I. Klein	$ 50,000	(e)	$ 1,204,725	(f)	N/A	N/A	$ 1,881,402	(g)	$ 3,136,127
James R. Murdoch	$ 100,000		$ 181,250		N/A	N/A	N/A		$ 281,250
Ana Paula Pessoa	$ 108,000		$ 181,250		N/A	N/A	N/A		$ 289,250
Masroor Siddiqui	$ 126,000		$ 181,250		N/A	N/A	N/A		$ 307,250

(a) DSU Grant Dates occur July 1, October 1, January 1 and April 1 of each year (or the first trading day following such date). As the Company maintains a 52-53-week fiscal year ending on the Sunday nearest to June 30, each fiscal year may include three, four or five DSU Grant Dates. Fiscal 2016 was a 53-week period, which resulted in our Non-Executive Directors receiving five quarterly DSU grants during the fiscal year on July 1, 2015, October 1, 2015, January 4, 2016, April 1, 2016 and July 1, 2016. The amounts set forth in the Stock Awards column represent the aggregate grant date fair value of stock awards granted during the fiscal year ended June 30, 2016 calculated in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. For Mr. Klein, this amount also includes the grant date fair value for the fiscal 2016-2018 PSU Award (as defined herein). At the maximum level of performance, the grant date fair value of Mr. Klein's fiscal 2016-2018 PSU Award would be $2,191,949. The aggregate number of equity awards outstanding as of fiscal year end for each Director appears in the table on the following page.

(b) Unless otherwise specified as to a Director, All Other Compensation represents Director’s guest travel costs in connection with Board meetings outside the United States.

(c) Represents amounts reimbursed to Mr. L.K. Murdoch, Co-Chairman of the Company, for certain security expenses provided to Mr. L.K. Murdoch. These services are incremental to security arrangements provided at News Corporation business facilities. The Compensation Committee has approved these expenses as reasonable, necessary and for the Company's benefit.

(d) Mr. Elkann resigned from the Board effective September 30, 2016.

(e) Represents the portion of the Annual Cash Retainer paid in respect of Mr. Klein’s partial-year service as a Non-Executive Director.

(f) Represents (i) stock awards in the amount of $1,095,975 granted to Mr. Klein for his partial-year service as an Executive Vice President, Office of the Chairman and Chief Executive Officer of Amplify and (ii) DSUs in the amount of $108,750 in respect of his partial year service as a Non-Executive Director.

(g) All Other Compensation includes the following amounts paid to Mr. Klein in respect of his partial-year service as Chief Executive Officer of Amplify and Executive Vice President, Office of the Chairman: (i) a pro-rated annual salary of $1,030,769 paid for fiscal 2016; (ii) a pro-rated annual bonus for fiscal 2016 of $750,000; (iii) a pro-rated car allowance of $7,034; (iv) contributions of $2,962 made by the Company to a 401(k) savings plan for the benefit of Mr. Klein; (v) contributions of $55,000 made by the Company to the Restoration Plan (defined herein) for the benefit of Mr. Klein; and (vi) contributions of $9,195 made by the Company in respect of medical, dental and vision plans for the benefit of Mr. Klein. All Other Compensation also includes Director’s guest travel costs of $26,442 in connection with Board meetings outside the United States.

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DIRECTOR COMPENSATION

Stock Ownership Guidelines for Non-Executive Directors

In fiscal 2016, the Board adopted modified stock ownership guidelines which require Non-Executive Directors to own equity securities of the Company (including DSUs, stock appreciation rights (SARs) and restricted stock units (RSUs)) equal in value to at least five times the amount of the Non-Executive Director s annual cash retainer for service on the Board, representing an increase from the previous requirement of three times the annual cash retainer. Each Non-Executive Director will have five years from his or her first election to the Board to comply with these guidelines. All incumbent Non-Executive Directors currently comply or are on track to comply with the stock ownership guidelines.

The following table sets forth information with respect to the aggregate outstanding equity awards at the end of fiscal 2016 of each of the Directors who served during fiscal 2016 and who are not NEOs, which include cash-settled DSUs and, with respect to Mr. Klein, unvested PSUs.

	Stock Awards	
Name	**Number of Shares or Units of Stock That Have Not Vested[a]**	
Lachlan K. Murdoch	31,941	
José María Aznar	53,626	
Natalie Bancroft	53,626	
Peter L. Barnes	53,626	
Elaine L. Chao	36,886	
John Elkann	29,090	
Joel I. Klein	246,778	(a)
James R. Murdoch	29,090	
Ana Paula Pessoa	29,090	
Masroor Siddiqui	29,090	

(a) Comprises 238,095 PSUs and 8,683 DSUs.

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PROPOSAL NO. 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Ernst & Young LLP (E&Y) as the Company s independent registered public accounting firm to audit the books and accounts of the Company for the fiscal year ending June 30, 2017. E&Y has audited the books and records of the Company since its formation. In order to provide for continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of our independent registered public accounting firm. Further, in connection with the mandated rotation of our independent registered public accounting firm's lead engagement partner, the Audit Committee is directly involved in the periodic selection of E&Y's lead engagement partner.

The Audit Committee believes that the continued retention of E&Y is in the best interests of the Company and its stockholders, and is submitting the appointment of E&Y to the stockholders for ratification as a matter of good corporate governance. If this appointment is not ratified by our stockholders, the Audit Committee will reconsider its decision. A representative of E&Y is expected to be present at the Annual Meeting. He or she will have an opportunity to make a statement and will be available to respond to appropriate questions.

FOR	**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE PROPOSAL TO RATIFY THE SELECTION OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2017.**

Fees Paid to Independent Registered Public Accounting Firm

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm. Accordingly, the Audit Committee has appointed E&Y to perform audit and other permissible non-audit services for the Company and its subsidiaries. The Company has formal procedures in place for the pre-approval by the Audit Committee

of all services provided by E&Y. These pre-approval procedures are described below under —Audit Committee Pre-Approval Policies and Procedures.

The description of the fees billed to the Company and its subsidiaries by E&Y for the fiscal years ended June 30, 2016 and June 30, 2015 is set forth below.

	Fiscal 2016	**Fiscal 2015**
Audit Fees[(a)]	$ 11,982,000	$ 11,837,000
Audit-Related Fees[(b)]	1,097,000	1,254,000
Tax Fees[(c)]	3,720,000	4,091,000
All Other Fees[(d)]	80,000	131,000
Total Fees	$ 16,879,000	$ 17,313,000

(a) Audit fees include: fees rendered in connection with the annual audit of the Company's consolidated financial statements as of and for the fiscal years ended June 30, 2016 and June 30, 2015; the audit of internal control over financial reporting as of June 30, 2016 and June 30, 2015 (as required by Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act)); statutory audits required internationally; and reviews of the

Company's unaudited consolidated interim financial statements included in the Company's statutory and regulatory filings.

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PROPOSAL NO. 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(b) Audit-related fees relate principally to employee benefit plan audits, due diligence related to mergers and acquisitions, audits of entities to be sold, accounting consultations, agreed-upon procedure reports, reports on internal controls over certain distribution services provided to third parties and other services related to the performance of the audit or review of the Company's consolidated financial statements.

(c) Tax fees include fees for tax compliance and tax consultations for domestic and international operating units, including due diligence related to mergers and acquisitions.

(d) All other fees relate principally to expatriate services.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has established policies and procedures under which all audit and non-audit services performed by the Company s independent registered public accounting firm must be approved in advance by the Audit Committee. The Audit Committee s policy provides for pre-approval of audit, audit-related, tax and certain other services specifically described by the Audit Committee on an annual basis. In addition, individual engagements anticipated to exceed pre-established thresholds, as well as certain other services, must be separately approved. The policy also provides that the Audit Committee can delegate pre-approval authority to any member of the Audit Committee provided that the decision to pre-approve is communicated to the

full Audit Committee at its next meeting. The Audit Committee has delegated this responsibility to the Chair of the Audit Committee. Management has also implemented internal procedures to ensure compliance with this policy. As required by the Sarbanes-Oxley Act, all audit and non-audit services provided in the fiscal years ended June 30, 2016 and June 30, 2015 have been pre-approved by the Audit Committee in accordance with these policies and procedures. The Audit Committee also reviewed the non-audit services provided by E&Y during the fiscal years ended June 30, 2016 and June 30, 2015, and determined that the provision of such non-audit services was compatible with maintaining the auditor s independence.

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REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the SEC under the Securities Act of 1933, as amended, or the Exchange Act or incorporated by reference in any document so filed.

In accordance with its written charter, the Audit Committee assists the Board in its oversight of (i) the integrity of the Company s financial statements and the Company s financial reporting processes and systems of internal control, (ii) the qualifications, independence and performance of the Company s independent registered public accounting firm and the performance of the Company s corporate auditors and corporate audit function, (iii) the Company s compliance with legal and regulatory requirements involving financial, accounting and internal control matters, (iv) investigations into complaints concerning financial matters, (v) risks that may have a significant impact on the Company s financial statements, (vi) oversight of the Company s ongoing Anti-Corruption Compliance Program and activities of the Company s Compliance Steering Committee and (vii) the review, approval and ratification of transactions with related parties. The Audit Committee provides an avenue of communication among management, the independent registered public accounting firm, the corporate auditors and the Board. Management has the primary responsibility for the preparation of the Company s financial statements and the reporting process, including the system of internal control over financial reporting. The independent registered public accounting firm has the responsibility for the audit of those financial statements and internal control over financial reporting. The Audit Committee s responsibility is to monitor and oversee these processes.

In discharging its oversight responsibility as to the audit process, the Audit Committee (i) obtained from the independent registered public accounting firm a formal written statement describing all relationships between the independent registered public accounting firm and the Company that might bear on the independent registered public accounting firm s independence and affirming its independence consistent with applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the

Audit Committee concerning independence, (ii) discussed with the independent registered public accounting firm, which documented the discussion, any relationships that may impact the firm s objectivity and independence, and (iii) considered whether the non-audit services provided to the Company by E&Y are compatible with maintaining the accountant s independence. The Audit Committee reviewed with both the independent registered public accounting firm and the corporate auditors their identification of audit risks, audit plans and audit scope. The Audit Committee discussed with management, the independent registered public accounting firm and the corporate auditors the corporate audit function s organization, responsibilities, budget and staffing.

The Audit Committee also discussed and reviewed with the independent registered public accounting firm all communications required by generally accepted auditing standards, including those described in Auditing Standard No. 16, Communication with Audit Committees, as adopted by the Public Company Accounting Oversight Board. The Audit Committee met with each of the independent registered public accounting firm and the corporate auditors, both with management present and in private sessions without management present, to discuss and review the results of the independent registered public accounting firm s audit of the financial statements, including the independent registered public accounting firm s evaluation of the accounting principles, practices and judgments applied by management, the results of the corporate audit activities and the quality and adequacy of the Company s internal controls.

The Audit Committee discussed the interim financial information contained in each of the quarterly earnings announcements with Company management and the independent registered public accounting firm. The Audit

Committee also reviewed the audited financial statements of the Company as of and for the fiscal year ended June 30, 2016 with management and the independent registered public accounting firm.

At its meetings every quarter, the Audit Committee met with members of management, the independent registered public accounting firm and the corporate

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REPORT OF THE AUDIT COMMITTEE

auditors to review the fiscal 2016 certifications provided by the Chief Executive Officer and the Chief Financial Officer under the Sarbanes-Oxley Act, the respective rules and regulations of the SEC and the overall certification process. At these meetings, management reviewed with the Audit Committee each of the Sarbanes-Oxley Act certification requirements including whether there were any (i) significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company s ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, involving management or other employees who have a significant role in the Company s internal control over financial reporting.

The Audit Committee received reports from the Company s General Counsel and Chief Compliance Officer and Corporate Audit regarding the Company s policies, processes and procedures relating to

compliance with News Corporation Global Anti-Bribery and Anti-Corruption Policy and activities of the Company s Compliance Steering Committee.

Based on the above-mentioned review and discussions with management, the independent registered public accounting firm and the corporate auditors, the Audit Committee recommended to the Board that the Company s audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2016, for filing with the SEC. The Audit Committee also appointed E&Y as the Company s independent registered public accounting firm, and the Board concurred in such appointment.

THE AUDIT COMMITTEE:

Peter L. Barnes (Chair)
Elaine L. Chao
Ana Paula Pessoa
Masroor Siddiqui

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PROPOSAL NO. 3

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Exchange Act require that the Company provide our stockholders with the opportunity to approve, on an advisory, nonbinding basis, the compensation of our NEOs as disclosed in this proxy statement in accordance with the rules of the SEC.

As described in detail in the Compensation Discussion and Analysis, the Compensation Committee seeks to closely align the interests of our NEOs with the interests of the Company's stockholders. The Company's executive compensation program is designed to drive Company performance, ensure our compensation practices support growth for stockholders, and attract, retain and motivate the top executive talent necessary for the Company's success. The compensation framework designed by the Company emphasizes a pay for performance model, a focus on long-term growth and diversified performance metrics. The Compensation Committee believes that our compensation framework effectively aligns pay with individual and Company performance as further described on page 31 under the heading Aligning Compensation with Company Performance. In addition, as described on page 34 under the heading Fiscal 2016 Pay Mix, the compensation framework places a significant majority of the Executive Chairman's, CEO's, CFO's and General Counsel's total direct compensation at-risk and dependent upon performance, with a significant portion of total direct compensation tied to the Company's long-term results and future stock price performance. The Company has also implemented a number of executive compensation practices, as described on

page 31, which the Compensation Committee considers to be effective at driving performance and supporting long-term growth for our stockholders.

The Board recommends that stockholders indicate their support for the Company s compensation of its NEOs. The vote on this resolution, commonly known as a say on pay resolution, is not intended to address any specific element of compensation but rather the overall NEO compensation program as described in this proxy statement. Although this vote is advisory and not binding on the Company or the Board, the Compensation Committee, which is responsible for developing and administering the Company s executive compensation philosophy and program, will consider the results as part of its ongoing review of the Company s executive compensation program.

Accordingly, we ask our stockholders to vote on the following resolution:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the Company s named executive officers, as disclosed in the Company s proxy statement for the 2016 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure.

The Board of Directors has adopted a policy providing for annual "say-on-pay" advisory votes. Unless the Board of Directors modifies its policy on the frequency of holding "say-on-pay" advisory votes, the next "say-on-pay" advisory vote will occur in 2017.

FOR **THE BOARD UNANIMOUSLY RECOMMENDS AN ADVISORY VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

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EXECUTIVE OFFICERS OF NEWS CORPORATION

The executive officers of the Company at June 30, 2016 are set forth in the table below. Unless otherwise specified, each holds the office indicated until his successor is chosen and qualified at the regular meeting of the Board to be held following the Annual Meeting, or at other meetings of the Board as appropriate.

Name	**Age**	**Position with the Company**
K. Rupert Murdoch[(a)]	85	Executive Chairman
Robert J. Thomson	55	Chief Executive Officer
Bedi Ajay Singh	57	Chief Financial Officer
David B. Pitofsky	51	General Counsel

(a) Mr. K.R. Murdoch is the father of Mr. L.K. Murdoch, the Company's Co-Chairman and a Director, and Mr. J.R. Murdoch, a Director. None of the other executive officers of the Company is related to any other executive officer or Director of the Company by blood, marriage or adoption.

Information concerning Messrs. K.R. Murdoch and Thomson can be found under Proposal No. 1: Election of Directors.

Bedi Ajay Singh—Bedi Ajay Singh has served as the Company s Chief Financial Officer since December 2012. He served as Co-CEO, President & Chief Financial Officer for MGM Studios, a media company, from 2008 to 2010. Previously, Mr. Singh served as Chief Financial Officer at Gemstar-TV Guide from 2006 to 2008, as Chief Finance and Administration Officer at Novartis Pharma A.G. from 2004 to 2006 and as Executive Vice President and Chief Financial Officer of Sony Pictures Entertainment from 1999 to 2003. Before joining Sony Pictures Entertainment, he held a number of senior finance positions at 21st Century Fox, including at News International (now known as News UK) as Financial Controller and Fox Filmed Entertainment as Deputy Chief Financial Officer and as Senior Vice President, Office of the Chairman of News Corporation. Mr. Singh is a

graduate of the London School of Economics and Political Science, a Fellow of the UK Institute of Chartered Accountants and a graduate of the Program for Management Development at Harvard Business School. Mr. Singh started his business career with Arthur Andersen in London.

David B. Pitofsky—David B. Pitofsky has served as the Company s General Counsel since February 2015. He also serves as the Chief Compliance Officer of the Company. Mr. Pitofsky served as a Deputy General Counsel for the Company from April 2013 until February 2015 and as the Company s Deputy Chief Compliance Officer from June 2013 until February 2015. Mr. Pitofsky previously held the position of partner at Goodwin Procter LLP, a law firm, from 2005 to March 2013. From 1996 to 2005, Mr. Pitofsky was an Assistant U.S. Attorney in the Eastern District of New York, rising to the level of Deputy Chief of the Criminal Division.

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COMPENSATION DISCUSSION AND ANALYSIS

This section explains the Company s compensation philosophy and summarizes the material components of our executive compensation program. Our named executive officers, or NEOs, for fiscal 2016 were:

Name	**Title**
K. Rupert Murdoch	Executive Chairman
Robert J. Thomson	Chief Executive Officer
Bedi Ajay Singh	Chief Financial Officer
David B. Pitofsky	General Counsel

The NEOs listed above represent all of the Company s executive officers as defined by SEC rules.

Executive Summary

Compensation Philosophy

The Compensation Committee has established a compensation program that seeks to support the creation of long-term growth and value for our stockholders through three key objectives:

Drive Company Performance	Program emphasizes variable, performance-based compensation Balance of short- and long-term at-risk compensation elements designed to reward superior performance without encouraging unnecessary and excessive risk-taking
Align Pay with Performance	Performance-related compensation opportunities designed to reward executives based on Company and individual performance Executives receive target payouts of incentive compensation only upon achievement of rigorous performance metrics
Attract, Retain and Motivate Leadership Talent	Competitive program designed to enable the Company to attract the highest quality talent Program considers compensation practices and trends in relevant industries

Stockholder Engagement Informed Recent Enhancements to the Executive Compensation Program

The Company carefully considers feedback from our stockholders regarding our executive compensation program. In fiscal 2016, the independent Directors determined to expand the Company s engagement program to include a specific focus on corporate governance matters, including executive compensation. During fiscal 2016, our Board and our senior management engaged with unaffiliated stockholders representing over 35% of the outstanding Class B Common Stock and approximately 60% of the outstanding Class A Common Stock. Our independent Lead Director, who is a member of the Compensation Committee, directly participated, in person or by telephone, in

engagement with unaffiliated stockholders representing approximately 35% of the outstanding Class B Common Stock and over 20% of the outstanding Class A Common Stock. Feedback from this engagement was reported to the Compensation Committee and incorporated into their decision-making. For more detail on the Company s active stockholder outreach program, please refer to Corporate Governance Matters—Stockholder Engagement. Stockholders are invited to express their views to the Compensation Committee through the procedures described under Corporate Governance Matters—Communicating with the Board.

The annual advisory vote on the compensation of the NEOs also provides stockholders with an opportunity to communicate their views on our executive

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COMPENSATION DISCUSSION AND ANALYSIS

compensation program. At our 2015 annual meeting of stockholders, stockholders continued their support of our executive compensation program with approximately 78% of the votes cast in favor of our advisory proposal to approve the compensation of our NEOs. Upon consideration of such vote results, along with additional feedback from engagement with stockholders, among other considerations, the Compensation Committee determined to maintain the general structure of our executive compensation program but to implement several enhancements to further align executives interests with those of our stockholders. Enhancements made to our executive compensation program and policies over the past year include:

- Increasing the percentage of CEO, CFO and General Counsel at-risk pay;
- Providing greater transparency with respect to performance metrics, including through disclosure of threshold and maximum levels for targets in connection with the payout of long-term incentive awards;
- Increasing the stock ownership requirement for the CEO from three to five times his base salary and for the CFO from one-and-a-half to two times his base salary;
- Implementing a policy prohibiting executive officers and Directors from pledging Company shares held directly by them or that have been received as equity compensation;
- Using a modified peer group to better reflect the Company's competitive landscape;
- Updating the Compensation Committee Charter to clarify certain of the Compensation Committee's responsibilities, including overseeing engagement with stockholders on executive compensation matters and reviewing and approving clawback policies; and
- Implementing the expanded corporate governance-focused stockholder engagement program described above.

Total Direct Compensation

The following table presents the total direct compensation (TDC) awarded to Messrs. K.R. Murdoch, Thomson, Singh and Pitofsky for fiscal 2016. TDC differs from the amounts reported in the Summary Compensation Table as required by the SEC, and reflects the amounts the Compensation Committee considers most relevant in assessing and determining executive compensation for the fiscal year. TDC is comprised of each NEO s annual base salary, target performance-based annual cash incentive (Annual Cash Incentive) and target grant value of long-term performance-based equity awards granted under our 2013 Long-Term Incentive Plan, as amended (LTIP), in the form of performance stock units, or PSUs.

Named Executive Officer	Base Salary	Target Annual Cash Incentive	Target Long-Term Incentive Award	Total Direct Compensation	% of Total Direct Compensation Pay At-Risk
K. Rupert Murdoch	$ 1,000,000	$ 2,000,000	$ 2,000,000	$ 5,000,000	80 %
Robert J. Thomson	$ 2,000,000	$ 3,000,000	$ 4,900,000	$ 9,900,000	80 %
Bedi Ajay Singh	$ 1,200,000	$ 1,500,000	$ 1,700,000	$ 4,400,000	73 %
David B. Pitofsky	$ 950,000	$ 750,000	$ 600,000	$ 2,300,000	59 %

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COMPENSATION DISCUSSION AND ANALYSIS

NEO Compensation Program Practices

The table below highlights our current executive compensation practices, including practices we engage in because we believe they drive performance and those we do not engage in because they are inconsistent with our stockholders long-term interests:

What We Do
Majority of compensation at-risk — the performance-based, variable pay portion of fiscal 2016 TDC was 80% for the Executive Chairman, 80% for the CEO, 73% for the CFO and 59% for the General Counsel
Use of multiple performance metrics — Annual Cash Incentive and long-term incentive awards for NEOs rely on diversified performance metrics that incentivize and reward the achievement of multi-dimensional aspects of our operational and long-term business strategy
Payouts of NEO incentive compensation are subject to achievement of rigorous performance metrics
Caps on payouts of Annual Cash Incentive and long-term incentive awards
Performance on ethics and compliance objectives impacts payout of qualitative portion of Annual Cash Incentive awards
Clawback policies provide for recoupment, under certain circumstances, of performance-based cash and equity compensation
Stock ownership guidelines for the CEO, CFO, General Counsel and Non-Executive Directors
Annual compensation risk assessment
Independent compensation consultant that provides no other services to the Company
Regular stockholder feedback through annual say-on-pay vote and robust ongoing engagement program on corporate governance matters, including executive compensation

What We Do Not Do
No single trigger cash severance or automatic vesting of equity awards based solely upon a change in control of the Company
NEO employment agreements do not contain provisions relating to a change in control
No excise tax gross-ups or tax gross-ups on NEO perquisites
No hedging of Company stock by Directors and NEOs
No pledging of Company stock owned directly by Directors and NEOs
No re-pricing of stock options or SARs without stockholder approval
No payment of dividend equivalents unless and until underlying performance-based awards are earned
No excessive NEO perquisites
No guaranteed bonuses
Do not maintain compensation programs that create risks reasonably likely to have a material adverse effect on the Company

Aligning Compensation with Company Performance

The Compensation Committee is responsible for the oversight of the Company s executive compensation framework, and within that framework, aligning compensation with Company performance and providing incentives that reward sustained value creation and responsible risk-taking.

For the fiscal 2016 Annual Cash Incentive, the Compensation Committee set the midpoint of its target range for adjusted Total Segment EBITDA at $944 million and the Company achieved $898.9 million, resulting in a 100% payout of the quantitative portion of the award. The Compensation Committee also determined payouts of the qualitative portions of the fiscal 2016 Annual Cash Incentive for each NEO in light of his achievements and contributions during

fiscal 2016. For more information, please see —Named Executive Officer Compensation—Fiscal 2016 Annual Cash Incentive.

For the fiscal 2014-2016 PSU Award and the Launch Performance Awards, one-time grants of PSUs in connection with the completion of the separation of the Company s businesses from its former parent company, 21st Century Fox, in June 2013 (the Separation), the Compensation Committee set the midpoints of its target range for cumulative earnings per share (EPS) and average annual adjusted free cash flow (FCF) growth at $2.12 and 18.4%, respectively, and the target for relative total shareholder return (TSR) at the 50th percentile. The Company achieved $1.96, 17.7% and the 12th percentile, respectively, resulting in an 80% payout of the awards. For more information, please see —Named Executive Officer Compensation—Payout of Fiscal 2014-2016 PSU Award and Launch Performance Awards.

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COMPENSATION DISCUSSION AND ANALYSIS

Fiscal 2016 performance highlights include:

- Fiscal 2016 revenues of $8.3 billion decreased 3% compared to the prior year, primarily due to the negative impact from foreign currency fluctuations and lower advertising revenues at the News and Information Services segment, partially offset by growth in the Digital Real Estate Services segment.
- Income from continuing operations was $235 million for fiscal 2016 as compared to $367 million in the prior year. The Company reported full year Total Segment EBITDA* of $684 million, which includes the impact of a one-time charge of $280 million for the settlement of litigation and related claims involving the Company's News America Marketing division and a one-time gain of $122 million for the settlement of litigation between Move, in which the Company owns an 80% interest, and Zillow, as compared to $945 million in the prior year. Excluding those settlements, Total Segment EBITDA would have been $842 million.
- The Company reported fiscal 2016 net cash provided by continuing operating activities of $952 million. The Company reported fiscal 2016 free cash flow available to News Corporation* of $610 million compared to $595 million in the prior year.
- Digital Real Estate Services segment revenues grew 32% compared to the prior year.
- REA Group, in which the Company holds a 61.6% interest, continued to strengthen its business in the Australian market. The company had another record year in reported revenues and profitability, which included in February 2016 increasing its investment in iProperty, which operates leading property sites throughout Southeast Asia, from 22.7% to approximately 86.9%.
- With a refurbished reputation, increased marketing and innovative products, Move and realtor.com® attracted record audiences, and advertising, thanks to the freshest listings, unique content and tools that benefit both realtors and consumers. Traffic to realtor.com®–related sites grew to a record 53 million unique users in the fourth quarter.

- HarperCollins ended the year strongly with success from Harper Lee's *Go Set a Watchman*, Daniel Silva's *The English Spy*, a book by Anderson Cooper and his mother, Gloria Vanderbilt, and, in the U.K., titles by David Walliams, a leading author of children's fiction.
- The Company continued to aggressively transition our news mastheads to digital, while reducing costs across all regions. In the fourth quarter, digital revenues, led by Dow Jones, represented 23% of News and Information Services segment revenues, compared to 19% in the prior year.
- FOX SPORTS Australia had record ratings this year, driven by the extremely popular National Rugby League, the Australian Football League and V8 Super Cars.
- Foxtel, under new leadership, drove higher subscriber volume, which is a priority for the business. The network had more than 2.9 million total subscribers at the end of the fiscal year.
- In September 2015, the Company acquired Unruly, a leading global video distribution platform that is focused on delivering branded video advertising across websites and mobile devices.
- On June 30, 2016, the Company announced that it had agreed to acquire Wireless Group, which operates TalkSPORT, the leading sports radio network in the U.K., and a portfolio of radio stations in the U.K. and Ireland. The acquisition of Wireless Group was completed in the first quarter of fiscal 2017.

* Total Segment EBITDA and free cash flow available to News Corporation are non-GAAP financial measures. For information on these non-GAAP financial measures, as defined by the Company, please see the Company's Annual Report on Form 10-K for the year ended June 30, 2016 filed with the SEC on August 12, 2016 on pages 48-49 for Total Segment EBITDA and pages 65-66 for free cash flow available to News Corporation.

2016 Proxy Statement

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COMPENSATION DISCUSSION AND ANALYSIS

Renewal of Employment Agreements

As previously disclosed, during fiscal 2016, the Company entered into amended and restated employment agreements with each of Messrs. Thomson and Singh, extending their terms of employment from June 30, 2016 until June 30, 2019. The Compensation Committee believes that Messrs. Thomson s and Singh s respective achievements from the Separation to date, some of which are described in the table entitled Fiscal 2016 Achievements and Contributions under —Named Executive Officer Compensation—Fiscal 2016 Annual Cash Incentive below, have demonstrated each executive s value to the Company s strategy and long-term success. The Compensation Committee views employment agreements as important tools to attract and retain executive talent and determined the

amendments were appropriate after considering each executive s key role in developing and executing on the Company s strategic objectives along with benchmarking against the Company s fiscal 2016 peer group and feedback from stockholders, among other factors. Consistent with the Compensation Committee s philosophy that our stockholders interests are best served through alignment with our NEOs interests, the effect of each amendment is to increase the at-risk performance-based portion of annual TDC (assuming base salary, annual bonus target and annual long-term incentive award targets are set at the minimum levels). Further details of these agreements, and agreements with our other NEOs, are set forth under Executive Compensation—Employment Agreements.

Executive Compensation Practices

How Executive Compensation Decisions Are Made

In establishing and reviewing NEO compensation packages, the Compensation Committee considers the nature and scope of the NEO s role and responsibilities, leadership and management experience, individual contributions, Company performance, achievement of strategic objectives, information on market compensation levels (as further described below under —Comparative Market Data and Industry Trends), taking into account industry and geographic considerations, retention considerations, the terms of each NEO s employment agreement, prior compensation and term of service, internal pay parity and feedback from stockholders through the results of the annual say-on-pay vote and through other engagement.

NEOs do not participate in the Compensation Committee s deliberations or decisions regarding their own compensation. Management, together with the Compensation Committee s independent compensation consultant, assists the Compensation Committee by providing data, analyses and recommendations regarding the Company s executive compensation practices and policies. In addition, the Executive Chairman and CEO present individual pay recommendations to the Compensation Committee for the other NEOs. These recommendations are based on their assessments of individual contributions, achievement of performance objectives and other qualitative factors. The Compensation Committee considers

management s input along with the advice of its independent compensation consultant in making decisions on compensation matters.

Role of the Independent Compensation Consultant

During fiscal 2016, the Compensation Committee retained Frederic W. Cook & Co., Inc. (FW Cook) as an independent compensation consultant. The role of the compensation consultant is to serve as an objective third-party advisor to the Compensation Committee on compensation arrangements, assessing reasonableness of compensation levels in comparison with those of similarly situated companies and the appropriateness of the compensation program structure in supporting the Company s strategic objectives. The compensation consultant reports directly to the Compensation Committee and the Compensation Committee may replace the compensation consultant, or hire additional consultants, at any time. In fiscal 2016, FW Cook supported the Compensation Committee by (i) attending Compensation Committee meetings, (ii) providing advice on the Company s compensation programs, equity plan designs and compensation governance policies, (iii) preparing and presenting analyses on compensation levels, including competitive assessments of the Company s practices and policies and (iv) assisting the Company in preparing compensation-related materials and disclosure as requested by the Company. FW Cook provided no other services to and received no other fees or compensation from the Company.

In June 2016, the Compensation Committee considered FW Cook s independence and the

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COMPENSATION DISCUSSION AND ANALYSIS

existence of potential conflicts of interest with FW Cook, including by considering the factors prescribed by the NASDAQ listing rules and SEC rules. Based on

such evaluation, the Compensation Committee determined that no conflict of interest exists.

Named Executive Officer Compensation

Overview of Our Executive Compensation Program

The table below describes the objectives supported by each of the primary compensation elements, along with an overview of the key design features of each element.

Compensation Element	How it Supports News Corp's Compensation Philosophy	Key Features
Base Salary	Provides a level of fixed pay appropriate to an executive's role and responsibilities	Minimum salaries for CEO, CFO and General Counsel set in employment agreements
	Attracts and retains executives	Reviewed annually and may be adjusted as appropriate by the Compensation Committee
Annual Cash Incentive	Incentivizes and rewards achievement of operational and strategic goals and superior individual performance	Two-thirds of annual opportunity is based on achievement of adjusted Total Segment EBITDA performance
	Links executives' interests to annual operating strategies	One-third of annual opportunity is based on achievement of individual objectives
Long-Term Incentive Award	Rewards long-term value creation based on achievement of specified performance goals	Awarded as PSUs under the LTIP Payout range of 0-200% of target Three-year performance measurement period
	Aligns executives' interests with those of our stockholders Strong retention tool	80% of award based on achievement of cumulative adjusted EPS and cumulative annual adjusted FCF targets 20% of award based on the Company's TSR relative to the TSR of the S&P 500

Fiscal 2016 Pay Mix

The Compensation Committee designed the fiscal 2016 executive compensation program so that the performance-based pay elements (Annual Cash Incentive and long-term incentive awards) comprised a significant portion of TDC in support of the Compensation Committee s objective to align the NEOs interests with those of our stockholders.

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COMPENSATION DISCUSSION AND ANALYSIS

Base Salary

The Compensation Committee, in conjunction with its compensation consultant, annually reviews the NEOs base salaries and makes appropriate adjustments subject to the terms of individual employment agreements. The respective employment agreements of Messrs. Thomson, Singh and Pitofsky provide for a minimum base salary.

Base salaries for Messrs. K.R. Murdoch, Thomson, Singh and Pitofsky were not increased in fiscal 2016 and remained at $1,000,000, $2,000,000, $1,200,000 and $950,000, respectively. Messrs. Thomson s, Singh s and Pitofsky s fiscal 2016 base salaries represented the minimum base salaries provided for in their respective employment agreements.

Performance-Based Incentive Compensation

In order to promote alignment with stockholders interests, the majority of each NEO s compensation is tied to two performance-based incentive components: the Annual Cash Incentive and long-term incentive awards, which we grant in the form of PSUs. Metric targets for both of these compensation components are set at challenging, yet reasonably achievable, levels each year in order to motivate a high degree of performance and the assumption of

an appropriate amount of risk, while maintaining focus on the Company s long-term growth.

Fiscal 2016 Annual Cash Incentive

In August 2015, the Compensation Committee approved a framework for the Company s fiscal 2016 Annual Cash Incentive. The Compensation Committee believes the Annual Cash Incentive s mix of quantitative and qualitative factors motivates the NEOs to achieve the critical operating goals of the Company s businesses, while also recognizing and rewarding them for individual contributions. Annual Cash Incentive awards are based two-thirds on achievement of target adjusted Total Segment EBITDA,[1] and one-third on a qualitative assessment of individual performance. Adjusted Total Segment EBITDA was selected as the financial performance metric because it reflects the Company s key financial objective for the operations for which the NEOs have direct responsibility. The Compensation Committee also considers, based on a recommendation from the Audit Committee, management s performance on ethics and compliance objectives, and determines whether, based on such performance, any reduction to the qualitative portion of the payout of the Annual Cash Incentive is appropriate and if so, the amount of such reduction.

The Compensation Committee approved the following target and maximum amounts for the fiscal 2016 Annual Cash Incentive:

	Fiscal 2016 Annual Cash Incentive	
Named Executive Officer	**Target**	**Maximum**
K. Rupert Murdoch	$ 2,000,000	$ 4,000,000
Robert J. Thomson	$ 3,000,000	$ 6,000,000
Bedi Ajay Singh	$ 1,500,000	$ 3,000,000
David B. Pitofsky	$ 750,000	$ 1,500,000

(1) Consistent with the terms of the Annual Cash Incentive program, the performance factor was adjusted to reflect certain unusual events that occurred during the year. These adjustments can result in either increases or decreases in the performance factor and are intended to ensure that award payments represent the underlying performance

of the Company's business and are not artificially inflated or deflated due to unusual events. In fiscal 2016, the adjustments included acquisitions and dispositions of businesses, changes in foreign exchange rates, certain non-recurring or unusual charges and certain litigation expenses. The Compensation Committee reviewed all adjustments to ensure the adjustments are consistent with the Compensation Committee's philosophy on executive pay. For information on Total Segment EBITDA as defined by the Company, please see the Company's Annual Report on Form 10-K for the year ended June 30, 2016 filed with the SEC on August 12, 2016 on pages 48-49.

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For fiscal 2016, the Compensation Committee set a target range for adjusted Total Segment EBITDA of $896.8 million to $991.2 million based on the Company s annual plan. A target range, rather than a specific goal, is used to address challenges associated with setting performance goals with precision and to avoid unintended windfalls and shortfalls in actual payouts to the NEOs. Performance within the target range generates a payout of 100% for the quantitative portion of the Annual Cash Incentive, with performance that falls between the specified performance range to be interpolated on a linear basis. The Company s actual performance versus the performance curve established by the Compensation Committee is set forth below:

Adjusted Total Segment EBITDA

The Compensation Committee also considered each individual NEO s significant and numerous contributions and strong leadership in the development and implementation of the corporate vision, strategy and organizational structure for the Company s businesses. In assessing our NEOs performance and determining the appropriate award amounts, the Compensation Committee acknowledged the following specific achievements:

Named Executive Officer	Fiscal 2016 Achievements and Contributions
K. Rupert Murdoch Executive Chairman	Company achieved EBITDA target while reinvesting for future growth Company exceeded performance in its digital real estate portfolio Company finished fiscal 2016 with substantial financial flexibility, including the commencement of dividends to shareholders as a result of prudent reinvestment, leading effective cost initiatives across the portfolio and substantial de-risking of the business

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Named Executive Officer	Fiscal 2016 Achievements and Contributions
Robert J. Thomson Chief Executive Officer	Provided exceptional leadership by meeting the Company's annual financial objectives, securing strategic footholds for long-term growth and significantly reducing portfolio risk Company met its fiscal 2016 adjusted Total Segment EBITDA target despite a more challenging macro advertising environment. Of particular note, realtor.com® exceeded annual performance targets despite ongoing investments in product and marketing, and maintained position as fastest growing site in the sector whilst Dow Jones achieved a critical digital transformation milestone - yielding 50% of revenue from its digital assets Capitalized on opportunistic disposition of Amplify which immediately improved free cash flow and overall financial flexibility In coordination with Telstra, secured the Australian Football League and National Rugby League rights delivering a long-term competitive advantage through 2022 for Foxtel and FOX SPORTS Australia Continued to deliver on globalization and digitization strategy through a series of complementary acquisitions that have improved monetization capabilities for the existing brands, and enhanced depth in areas critical to digital transformation such as ad monetization, video, radio, social and data Provided critical oversight and guidance on a complex range of inherited litigation challenges, delivering positive outcomes that substantially reduced financial and reputation risk. In particular, led the strategy in case against Zillow, resulting in a total payment of $130 million Led the industry challenge by content creators against powerful distributors such as Facebook and Google
Bedi Ajay Singh Chief Financial Officer	Devised financial management strategies that enabled the Company to meet its adjusted Total Segment EBITDA target whilst increasing financial flexibility to support long-term growth Led successful execution of the disposition of Amplify driving improved free cash flow and significant EPS value as a result of efficient tax structuring strategy Oversaw M&A pipeline including a number of important acquisitions such as Unruly, Checkout 51, Diakrit and iProperty, and provided strategic leadership for the build-out of the India portfolio Provided strategic oversight of cost initiatives across News & Information Services enabling News UK and News Australia, in particular, to be better positioned for digital transformation
David B. Pitofsky General Counsel	Led efforts that concluded with decision by UK Crown Prosecution Service not to bring corporate criminal charge based on voicemail interception Directed defense of antitrust class action against News America Marketing, including devising multi-pronged settlement strategy that resulted in favorable resolution Oversaw complex, highly adversarial prosecution of Move trade secret litigation against Zillow et al., which concluded with favorable $130 million settlement

Led continued strengthening of the Company's gold standard compliance program, including expansion of program for antitrust and privacy; no significant compliance incidents or weaknesses reported

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To determine the fiscal 2016 Annual Cash Incentive for the NEOs, the Compensation Committee recognized that the Company s adjusted Total Segment EBITDA, for the purposes of this calculation, was approximately $898.9 million and as a result, 100% of the quantitative portion of the Annual Cash Incentive was achieved. In light of this achievement and the individual accomplishments described above, the Compensation Committee determined to award fiscal 2016 Annual Cash Incentives as set forth below:

Named Executive Officer	Fiscal 2016 Target Annual Cash Incentive	Quantitative Performance			Qualitative Performance			Fiscal 2016 Total Annual Cash Incentive
		66.7% of Target	Multiple	Subtotal A	33.3% of Target	Multiple	Subtotal B	
K.R. Murdoch	$ 2,000,000	$ 1,333,333	100 %	$ 1,333,333	$ 666,667	120 %	$ 800,000	$ 2,133,333
Robert J. Thomson	$ 3,000,000	$ 2,000,000	100 %	$ 2,000,000	$ 1,000,000	120 %	$ 1,200,000	$ 3,200,000
Bedi Ajay Singh	$ 1,500,000	$ 1,000,000	100 %	$ 1,000,000	$ 500,000	100 %	$ 500,000	$ 1,500,000
David B. Pitofsky	$ 750,000	$ 500,000	100 %	$ 500,000	$ 250,000	200 %	$ 500,000	$ 1,000,000

Fiscal 2016-2018 PSU Award

Beginning in 2013, the Compensation Committee has annually awarded to senior executives long-term performance-based equity awards, granted under the LTIP, consisting of PSUs that cliff vest at the end of a three-year performance measurement period (each such grant, a PSU Award). In August 2015, the Compensation Committee approved the grant to senior executives of the fiscal 2016-2018 PSU Award.

If earned, PSUs awarded to: (i) Messrs. Singh and Pitofsky are settled in shares of Class A Common Stock and (ii) Messrs. K.R. Murdoch and Thomson are settled in cash based on the closing stock price of Class A Common Stock on the trading day immediately prior to vesting. Accordingly, all of the NEOs PSU payouts are fully at risk for both financial performance and stock price performance from the grant date until vesting. PSUs awarded to Messrs. K.R. Murdoch and Thomson are settled in cash rather than stock pursuant to the Company s policy of settling Directors equity awards in cash to address certain requirements of the Australian Securities Exchange (the ASX).

Payouts will be determined based on the achievement of the performance goals established by the Compensation Committee at the beginning of the three-year performance period for three performance metrics. The performance metrics and their respective weightings for the fiscal 2016-2018 PSU Award are as follows:

- 40% based on cumulative adjusted EPS;
- 40% based on cumulative annual adjusted FCF; and
- 20% based on the Company’s three-year TSR as measured against the three-year TSR of the S&P 500.

At the beginning of each performance period, the Compensation Committee determines the target PSU Award opportunity, expressed as a dollar value (the PSU Target Value), for each of the NEOs. The PSU Target Value is converted to a target number of PSUs (the PSU Target), which, for the fiscal 2016-2018 PSU Award, was based on the volume-weighted average price of the Company s Class A Common Stock for the last 20 trading days in fiscal 2015.

At the end of each performance period, the Compensation Committee will compare the actual results of the Company s performance against the targets set by the Compensation Committee and determine the Final PSU Award for each NEO, using the following formula:

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The PSUs vest on August 15 of the applicable year or the closest business day following August 15 (the Vest Date). On the Vest Date, Messrs. K.R. Murdoch and Thomson will each receive, in settlement of his Final PSU Award, a cash payment equal to his Final PSU Award multiplied by the closing price of the Class A Common Stock on the last trading day immediately prior to the Vest Date, net of taxes withheld, subject to the limitations set forth in the LTIP. On the Vest Date, Messrs. Singh and Pitofsky will each receive, in settlement of his Final PSU Award, shares of Class A Common Stock, net of taxes withheld.

For the fiscal 2016-2018 PSU Award, the Compensation Committee approved the following PSU Target Values and corresponding PSU Targets for the NEOs:

Named Executive Officer	Fiscal 2016-2018 PSU Award Opportunity	
	PSU Target Value	PSU Target
K. Rupert Murdoch	$ 2,000,000	135,122
Robert J. Thomson	$ 4,900,000	331,049
Bedi Ajay Singh	$ 1,700,000	114,854
David B. Pitofsky	$ 600,000	40,536

In June 2016, the Compensation Committee determined to grant dividend equivalents on PSUs, beginning with the fiscal 2017-2019 PSU Award, in order to further align our executive compensation with total return to stockholders. Such dividend equivalents will be represented by additional PSUs, will be subject to the same performance conditions as the underlying award, and will be payable when, and only to the extent that, the underlying award vests.

Payout of Fiscal 2014-2016 PSU Award and Launch Performance Awards

In September 2013, the Compensation Committee approved the grant of the fiscal 2014-2016 PSU Award, the first annual grant of PSUs under the LTIP after the Separation. Also in September 2013, the Compensation Committee approved the Launch Performance Award grants to Messrs. K.R. Murdoch, Thomson and Singh, as well as certain other executives and key employees of the Company. The Launch Performance Awards were one-time grants in recognition of the efforts made by key employees in

connection with the Separation and are not considered part of our regular annual executive compensation program. The Launch Performance Awards have the same performance measurement period, performance metrics and other terms as the fiscal 2014-2016 PSU Award.

The payouts of the fiscal 2014-2016 PSU Award and the Launch Performance Awards were based on the achievement of performance goals established by the Compensation Committee at the time of grant relating to the three-year performance period ending on June 30, 2016. The performance metrics and their respective weightings were as follows:

- 40% based on cumulative adjusted EPS;[2]
- 40% based on average annual adjusted FCF growth;[3] and
- 20% based on the Company's three-year TSR as measured against the three-year TSR of the S&P 500.

(2) Consistent with the terms of the fiscal 2014-2016 PSU Award and the Launch Performance Awards, the performance factor was adjusted to reflect certain unusual events that occurred during the year. These adjustments can result in either increases or decreases in the performance factor and are intended to ensure that award payments represent the underlying performance of the Company's business and are not artificially inflated or

deflated due to unusual events. In fiscal 2016, the adjustments included acquisitions and dispositions of businesses, changes in foreign exchange rates, restructuring expenses and payments, certain non-recurring or unusual items and certain litigation expenses. The Compensation Committee reviewed all adjustments to ensure the adjustments are consistent with the Compensation Committee's philosophy on executive pay.

(3) Consistent with the terms of the fiscal 2014-2016 PSU Award and the Launch Performance Awards, the performance factor was adjusted to reflect certain unusual events that occurred during the year. These adjustments can result in either increases or decreases in the performance factor and are intended to ensure that award payments represent the underlying performance of the Company’s business and are not artificially inflated or deflated due to unusual events. In fiscal 2016, the adjustments included acquisitions and dispositions of businesses, changes in foreign exchange rates, restructuring expenses and payments, certain non-recurring or unusual items and certain litigation expenses. The Compensation Committee reviewed all adjustments to ensure the adjustments are consistent with the Compensation Committee's philosophy on executive pay.

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In August 2016, the Compensation Committee reviewed the Company s performance against targets for the fiscal 2014-2016 PSU Award and the Launch Performance Awards. Performance within the target range generates a payout of 100% for the cumulative adjusted EPS and average annual adjusted FCF growth metrics, with performance that falls between the specified performance range to be interpolated on a linear basis. The Company s actual performance versus the performance curve established by the Compensation Committee for each metric is set forth below:

Based on such performance, the Compensation Committee determined a final payout multiplier on the fiscal 2014-2016 PSU Awards and the Launch Performance Awards of 80%, as set forth below:

Metric	Metric Weighting	Target (Range)	Achieved	Payout Multiplier
Cumulative Adjusted EPS	40%	$1.91 – $2.33	$1.96	40%