



**Institute of Asian-Pacific Business Law**  
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William S. Richardson School of Law  
University of Hawai'i at Mānoa

**The Shareholder Empowerment Debate:  
Lessons from News Corp's Exodus to Delaware**

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May 13, 2008  
William S. Richardson School of Law, Room 254  
12:40-1:40 PM

The balance of power between shareholders and the board of directors is a contentious issue in current corporate law debate. It also lay at the heart of a controversy concerning the re-incorporation of News Corporation (News Corp) in Delaware. News Corp has recently been the subject of intense media attention due its successful bid to acquire Dow Jones & Company. Nonetheless, News Corp's move to the US, which paved the way for this victory, was neither smooth nor a fait accompli. Rather, the original 2004 re-incorporation proposal prompted a revolt by a number of institutional investors, on the basis that a move to Delaware would strengthen managerial power vis-a-vis shareholder power. The institutional investors were particularly concerned about the effect of the re-incorporation on shareholder participatory rights, and the ability of the board of directors to adopt anti-takeover mechanisms, such as poison pills, which are not permissible under Australian law. It was this latter concern, which ultimately led a group of institutional investors to commence legal proceedings in the Delaware courts in *UniSuper Ltd v News Corporation* (2005 WL 3529317 (Del Ch)).

**Jennifer Hill** is Professor of Corporate Law at Sydney Law School, and writes widely in the area of comparative corporate governance. Her recent research has focused on international responses to global corporate scandals, and differences in the balance of power between shareholders and management across common law countries. Jennifer has visited at a number of US law schools. She has a continuing position as Visiting Professor at Vanderbilt University, and has previously taught at the University of Texas at Austin (1999); the University of Virginia (1998) and Cornell University (1994). She is a Research Associate of the European Corporate Governance Institute, and a member of the editorial board of *International Corporate Law and Financial Regulation*, Cambridge University Press. She is also a member of the Law Council of Australia, Corporations Law Committee, and of the Corporations and Markets Advisory Committee (CAMAC), Legal Sub-Committee, which advises the Australian federal government on law reform.

*Detailed Information:*

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