

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

Strictly private and confidential

Minutes of meeting of Directors
held at Halton House, 20/23 Holborn,
London, on Thursday, 17 April 2008 at
11 am.

PRESENT: Tim Bowdler (Chairman), Guy Black, Robin Burgess, Paul Dacre, Simon Fairclough, Clive Milner, David Newell, James Raeburn and Jonathan Shephard.

IN ATTENDANCE: Sir Christopher Meyer (PCC Chairman) and Tim Toulmin (PCC Director) for part of the discussions on item 3.

The Chairman extended a warm welcome to Jonathan Shephard, who had succeeded Ian Locks as Chief Executive of PPA, to his first meeting.

The Chairman also congratulated Paul Dacre on his Lifetime Achievement Award at the British Press Awards which in part was recognition of his contribution to his pursuit of freedom of the press and support for self regulation.

1. **APOLOGY :** An apology was intimated on behalf of Nicholas Coleridge.
2. **MEMBERSHIP:** Following the resignation of Ian Locks, the Board approved Jonathan Shephard being admitted as a Member of PressBoF and being appointed as a Director.

The Board also noted the resignation of Les Hinton following his appointment as Chief Executive of Dow Jones.

Letters expressing the Board's thanks for their outstanding contributions over many years had been sent to both former Directors.

3. **NORTHERN & SHELL plc (Express Newspapers):** The Chairman reported on his meeting of 2 April with Richard Desmond and Martin Ellice of Northern & Shell plc which had been arranged following the company's decision not to pay registration fees to PressBoF consequent on the NPA's action in terminating the membership of Express Newspapers (on grounds unrelated to self-regulation). Desmond had made clear that the company would not pay registration fees for 2008 although he would be prepared to reconsider his position with regard to 2009.

The Chairman observed that the prospect of finding a resolution had become more difficult in light of the pressure on the position of Peter Hill, Editor of the Daily Express, as a member of the PCC following the public apology to the parents of Madeleine McCann.

The Board then discussed a position paper (previously circulated) prepared by the Secretary and a letter (previously circulated) from Sheridans, legal advisers to the PCC, responding to questions on the legal competence of PressBoF to instruct the PCC not to deal with complaints against newspapers and magazines owned by a publisher who refused to pay registration fees. The advice also dealt with the legal position in revoking the appointment of a press member of the PCC. In light of the advice, it was agreed that the Secretary and David Newell would review the PressBoF and PCC Articles of Association and report back.

Sir Christopher Meyer and Tim Toulmin joined the meeting.

The Chairman then summarised the Board's views. They were:

1. The preservation of self-regulation was the priority.
2. PressBoF would recommend that the PCC should continue to adjudicate on complaints against Northern & Shell titles until the end of 2008 conditional on the Editors co-operating fully with the PCC in the adjudication process.
3. The Chairman would write in appropriate terms to Richard Desmond advising him of PressBoF's recommendation.
4. There would be no public announcement on the matter.
5. There should be no early move to replace Peter Hill as a member of the PCC. At an appropriate point, the NPA would write to the Appointments Commission with a proposal to replace him.
6. The implications of the legal advice received from Sheridans would be the subject of further consideration by PressBoF.

Sir Christopher responded by saying that the PressBoF view on Hill was a very negative one which risked undermining the integrity and credibility of the PCC. While accepting that the Commission should continue to deal with complaints on the basis indicated, he said the other side of the coin was that Hill's position as a member of the PCC was untenable in light of the public apology of the Daily Express (and other group titles) to the parents of Madeleine McCann for libelling them in a series of inaccurate and prejudicial articles. He could not predict how other Commissioners would react at their meeting on 23 April.

It was explained that the NPA Council had taken the decision that Hill's nomination should be withdrawn. The issue was one of timing, the concern being that if he was replaced immediately his removal would be perceived as being linked with the McCann case whereas the Council's decision was entirely based on Express Newspapers no longer being in membership of the NPA.

Sir Christopher Meyer and Tim Toulmin then left the meeting.

Following further discussion, the Board adhered to the position as previously summarised in 1 - 6 above.

4. **NEXT MEETING:** It was agreed that unless a further meeting was required earlier, the next Board meeting would be held on 24 June at 2.30 pm.