

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

CHAIRMAN: TIM BOWDLER CBE
SECRETARY & TREASURER:
JIM RAEBURN

TELEPHONE: 0131 535 1064 FACSIMILE: 0131 535 1063
E-MAIL info@pressbof.org.uk

21 LANSDOWNE CRESCENT
EDINBURGH EH12 5EH

15 April 2009

BY EMAIL

Mr Martin Ellice
Group Joint Managing Director
Northern & Shell Plc
The Northern & Shell Building
Number 10 Lower Thames Street
London
EC3R 6EN

Dear Martin

I am now in a position to respond to you formally following your offer to resume payment of the Northern & Shell (N&S) subscription to PressBoF. In doing so, you stipulated two conditions, firstly that there could be no backdating as you had not budgeted for the amount concerned and secondly that you required one of your Group editors to be appointed to the Commission as a press member at the first available opportunity.

Insofar as backdating is concerned, you will be aware that PressBoF did not budget for the loss of the N&S subscription. That had to be made good by the industry to allow the PCC to be adequately funded. You did encourage me to believe that a resumption in 2009 remained a possibility and the result of your continued non-payment has further stretched PressBoF's resources. Despite this, neither PressBoF nor the PCC has so far seriously pressed for the exclusion of N&S titles from the self-regulatory system due to the industry's ongoing commitment to a universal system in the public interest.

In all of the circumstances, and in an effort to bring matters to a satisfactory conclusion, we are very reluctantly willing to write off your unpaid 2008 subscription, provided that you accept unreservedly and publicly the conditions as set out in this letter. However for 2009, we require payment in full. We would expect this to be made as soon as we have agreed the resumption of your subscription and for all invoices subsequently to be paid in accordance with the required terms.

Regarding the future, we require a clear statement of your commitment to the self-regulatory system and just as all other publishers that your intention is to remain in membership once you have resumed payment of your subscriptions. There may be instances from time to time when you disagree with a particular decision by PressBoF or the PCC but these should not be allowed to override the fundamental ongoing commitment to the self-regulatory system.

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The system for appointing editors to the Commission is handled by the Appointments Commission. The Committee comprises myself, the Chairman of the PCC and three lay members. In reaching their decision, the Committee consider nominations from the respective Trade Associations. As the sole PressBoF representative, I would certainly be in position to suggest any names from companies which are not connected to a trade association but I can give no guarantee as to the outcome.

I hope that you will find it possible to agree to this way forward and that we can anticipate your early return as a PressBoF subscriber on the terms I have outlined. If this is not possible, then as a matter of courtesy, I will be obliged to make John Whittingdale aware of the latest state of play prior to the Select Committee Hearing on 28th April.

I look forward to hearing from you shortly.

With kind regards.



Tim Bowdler
Chairman