

THE SCOTT TRUST LIMITED

Corporate governance

Following the incorporation of The Scott Trust Limited (STL) in September 2008, the STL Board has developed corporate governance processes and procedures for the Company in conjunction with the corporate governance statement of Guardian Media Group plc (GMG), which can be seen [here](#).

The Board

The STL Board currently comprises a chair (Alex Graham), the editor-in-chief (Katharine Viner) and chief executive of Guardian Media Group (Annette Thomas), a director drawn from among Guardian journalists (Nils Pratley), a member of the Scott family (Russell Scott) and eight independent directors. There is a reciprocal arrangement whereby the chair of the Board attends and observes all GMG Board meetings and in turn the chair of GMG is invited to attend and observe all STL Board meetings.

Katharine Viner was appointed to the STL Board on 1 June 2015 on taking office as editor-in-chief and Alex Graham was invited to become chair of STL in succession to Liz Forgan on 11 November 2016.

Following the resignation of David Pemsel with effect from 2nd December 2019, Anna Bateson (Chief Customer Officer) was appointed Interim CEO. Annette Thomas was then appointed chief executive of GMG on 2nd March and appointed to the Board with effect from 27 March 2020.

The directors and the company secretary have a wide range of business and other relevant experience and their details can be viewed [here](#). Following the governance review of 2015, the range of skills and experience represented on the Board were strengthened by the appointment of directors with investment and asset management experience and the investment committee was reconstituted as a committee of the Scott Trust Board, consisting of four STL directors and two GMG directors. Two independent external members were appointed to the investment committee in October 2018 (Chris Hitchens and Gayle Schumacher) further to enhance its investment and asset management experience.

The STL Board meets five times each year, or more frequently if required. Board papers are circulated to the directors by the company secretary in advance of Board meetings to ensure Board members are supplied in a timely manner with the information they need. There is a written schedule of specific matters reserved for Board consideration which includes approval of all STL Board appointments and certain other GMG Board and senior executive appointments and substantial investments, acquisitions and disposals by GMG. Board meetings are minuted and minutes are circulated to all Board members.

On appointment to the Board, directors receive appropriate briefings on Guardian Media Group and its activities, and follow a tailored induction programme which includes meeting Guardian Media Group senior management.

All directors have access to the company secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. A procedure exists for directors to take independent professional advice, at the Group's expense, if necessary, in the furtherance of their duties.

Performance appraisals of Board members and effectiveness reviews of the Board are undertaken at appropriate intervals determined by the Board.

Investment committee

The purpose of the IC is, on behalf of and under delegation from, the Scott Trust, to exercise its powers and take decisions in respect of all investment related matters with a view to enabling the Scott Trust to fulfil its purpose of securing and preserving the financial position of the Guardian in perpetuity. Its functions include defining the financial objectives of the Endowment Fund, approval of changes to asset allocation and of certain additions or withdrawals from the fund. The committee makes recommendations to the Scott Trust Board on the level of funding and risk allocation and on the advisers to the Endowment Fund and managers in respect of each asset class selected. The committee reports to the Scott Trust on the performance of the Fund and other assets and on other investment-related matters. In addition, the committee exercises certain powers and responsibilities in relation to certain assets owned by GMG which have been delegated to it.

The committee comprises four STL directors (Catherine Howarth, Ole Jacob Sunde, Nils Pratley and Anthony Salz who retired in March 2020, and was replaced on the Committee by Mary Ann Sieghart) and two GMG non-executive directors (Neil Berkett and Coram Williams). There are currently two external independent members of the committee (Chris Hitchens and Gayle Schumacher). The committee was chaired by Neil Berkett until June 2020 when Mary Ann Sieghart took over as Chair. The chief executive, chief financial officer and head of investments normally also attend meetings of the committee, with invitations extended to the Editor-in-chief and Scott Trust Chair. The committee meets at least four times per year. The long term investment fund advisers provide regular reports on the performance of the long term investment fund and attend the committee's meetings at appropriate intervals. Following a review, Cardano were selected to be principal advisers from June 2020.

Nominations committee

The committee is responsible for agreeing and leading the process for identifying individuals with the potential to become Board members and recommending, for the Board's approval, Board appointments, including nominees for each Board committee.

The objective of the committee is to ensure that the STL Board has the skills and experience effectively to review and challenge the STL Board, at any given time, and that the Board has relevant financial, commercial and investment experience. The committee comprises the Scott Trust chair (Alex Graham) and the senior independent director (Anthony Salz until 27 March 2020, succeeded by Ole Jacob Sunde) and such other directors as are appointed by the Board (currently David Olusoga, Emily Bell, Russell Scott, and Catherine Howarth). The Chair of the committee is currently David Olusoga.

The committee's proceedings are minuted and circulated to all Board members by the company secretary. The nominations committee chair reports to the Board on the outcome of the committee meetings.

Governance & Reputation Committee

The objective of the committee is: (i) to have oversight of all matters relating to corporate governance; and (ii) to have oversight over the development of strategy and principles relating to reputation.

The Committee is responsible for providing appropriate guidance and periodic evaluation of the governance arrangements of the Trust.

In relation to reputation, the remit includes: (i) the Guardian's reputation among stakeholders (including readers, employees and customers) and more broadly; (ii) the Group's approach to monitoring and supporting the values and desired behaviours that form its corporate culture, including diversity; (iii) the approach to reputational risk and its management; (iv) the approach to environmental sustainability; and (v) the approach to the ethical use of data.

The committee comprises the Scott Trust chair (Alex Graham) and the senior independent director (Anthony Salz until 27 March 2020, after which he was succeeded by Ole Jacob Sunde) and such other

directors as appointed by the Board (currently Vivian Schiller, Stuart Proffitt and Nils Pratley). The chair of the committee currently is Ole Jacob Sunde. One GMG director (Coram Williams) attends the committee in relation to the governance component of the committee's remit.

The Company maintains an appropriate level of directors' and officers' insurance in respect of legal action against the directors. In accordance with the Company's articles of association, the directors and officers of the Company are all indemnified out of the assets of the Company, to the extent permitted by law, in respect of liabilities incurred as a result of their office. No cover is provided in the event that a director or officer has acted fraudulently.

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Corporate governance (continued)

The number of meetings of the Board held in the financial year ended 29 March 2020, with details of individual attendance by directors, is set out in the table below.

Director	Board Meetings
Alex Graham	5
Emily Bell	4
Catherine Howarth	4
David Olusoga	5
David Pemsel	3
Nils Pratley	5
Stuart Proffitt	5
Anthony Salz	4
Vivian Schiller	5
Russell Scott	5
Ole Jacob Sunde	5
Katharine Viner	5
Annette Thomas	1
Number of meetings held	5

Notes:

1. David Pemsel resigned from the Board with effect from 2nd December 2019.
2. Anthony Salz resigned from the Board with effect from 27th March 2020.
3. Annette Thomas was appointed to the Board with effect from 27th March 2020.
4. Matthew Ryder and Mary Ann Sieghart were both appointed to the Board with effect from 27th March 2020, with a view to them attending from the next Board meeting.
5. Neil Berkett, chair of GMG, attended 5 meetings throughout the year.