

## **The Scott Trust and Guardian Media Group Governance Framework**

This Governance Framework sets out governance principles applying to the Scott Trust Limited (“**STL**”) and its relationship with Guardian Media Group plc (“**GMG**”), the Scott Trust Endowment Limited (“**STEL**”) and Guardian News and Media Limited (“**GNM**”) (collectively, the “**Group**”). STL is the owner of GMG and STEL. It is intended to clarify the respective roles of the Boards of STL, GMG and STEL, complementing the constitutional documents of the Company<sup>1</sup>.

The Framework was first adopted by the STL Board on 25 June 2019 with the support of the GMG Board, at a meeting of the GMG Board on 2 July 2019. It was adopted subject to reservations made within it and revisions were most recently approved by the STL Board on 1<sup>st</sup> February 2024. It should be reviewed at the GMG Board and the STL Board regularly, and at least every five years, to ensure it remains fit for purpose.

### **1. Background**

The Centenary Essay by CP Scott is the closest the Guardian comes to a document setting out how things should be. Scott, who edited the paper for 57 years and whose family ended up owning it, made a number of statements about how he believed the Guardian should be thought of, and run. The main points are these:

“A newspaper has two sides to it. It is a business, like any other, and has to pay in the material sense in order to live. But it is much more than a business; it is an institution; it reflects and it influences the life of a whole community; it may affect even wider destinies. It is, in its way, an instrument of government. It plays on the minds and consciences of men. It may educate, stimulate, assist, or it may do the opposite. It has, therefore, a moral as well as a material existence, and its character and influence are in the main determined by the balance of these two forces.”

“It may make profit or power its first object, or it may conceive itself as fulfilling a higher and more exacting function. I think I may honestly say that, from the day of its foundation, there has not been much doubt as to which way the balance tipped so far as regards the conduct of the paper whose fine tradition I inherited and which I have had the honour to serve through all my working life. Had it not been so, personally I could not have served it.”

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<sup>1</sup> Memorandum and Articles of The Scott Trust Limited, Guardian Media Group plc and The Scott Trust Endowment Limited.

“Between its two sides there should be a happy marriage, and editor and business manager should march hand in hand, the first, be it well understood, just an inch or two in advance.”

“One of the virtues, perhaps almost the chief virtue, of a newspaper is its independence. Whatever its position or character, at least it should have a soul of its own.”

## **2. Overall Purpose**

2.1 The objects of STL and its Board are set out in STL’s Memorandum and Articles:

*“having regard to, among other things, the manner in which this object has heretofore been pursued, to secure and preserve the financial position and editorial independence of the Guardian in perpetuity and, subsidiary to that, and to the extent consistent with that object, to promote the causes of freedom of the press and liberal journalism both in Britain and elsewhere”.*

2.2 The core purpose of STL is therefore to secure the financial position and editorial independence of the Guardian in perpetuity.

2.3 The subsidiary purpose is, to the extent consistent with the core purpose, to promote the causes of freedom of the press and liberal journalism both in Britain and elsewhere.

## **Organisational Structure**

### **3. The Governance Structure**

The organisational structure comprises of the Boards of STL, GMG, and STEL, each made up of individuals with executive duties within the Group and non-executive directors. All boards have significant roles in the oversight of the activities of their respective companies.

The fundamental benefit of this structure is that it enables a separation in roles of STL and GMG in STL's overall responsibility to assure independent ownership and the editorial independence and the freedom of manoeuvre of the newspaper, protecting the Editor in Chief (the "EiC") against any inappropriate influence, and enabling the Guardian to have a truly independent and distinctive voice. This separation is therefore considered to give advantage to the Guardian in a number of respects: (i) obtaining stories that it might not otherwise obtain, (ii) enabling it to pursue them in ways that others might not feel free to do, (iii) as a result attracting some of the best journalists and retaining them, and (iv) with a business model involving reader contributions based on the importance and quality of its journalism, providing a structure that carries oversight of the purpose and values of the Guardian separate from the running of the commercial business.

The existence and role of STL gives both real and symbolic reassurance, both internally and externally, that is key to the Guardian's character and influence. Its focus on sustainability in perpetuity and Guardian values provides reassurance that would not exist if STL and GMG/GNM were one company.

The STL Chair and GMG Chairs have a significant shared responsibility to deal constructively with any ambiguity that may arise in relation to the roles and responsibilities of the STL and GMG boards. They should each provide their Board with early warning of any significant problems. The GMG Chair has primary responsibility to oversee and enable an effective working relationship between the EiC and the GMG CEO (the "CEO"), providing such support and guidance as may from time to time be necessary.

In the event of any unresolvable conflict the Scott Trust, as sole shareholder, is the ultimate arbiter.

### **4. Responsibility for achieving the overall purposes of STL**

4.1 When the word "accountable" is used in this document, it is intended to convey the sense that although someone delegates a task or matter, it has an ongoing duty to exercise oversight to ensure (e.g. by reviewing progress against plans and budgets) that the persons to whom the responsibility has been delegated: (i) have the necessary skills for the purpose; and (ii) continue to perform their responsibilities to the required standard.

As a matter of company law, the Boards of STL, GMG, and STEL owe their fiduciary duties to STL, GMG, and STEL respectively. The Boards are also required by law to have regard to the interests of employees, relationships with suppliers and customers, and impact on the community and environment.

- 4.2 The STL Board is required to act in a manner it reasonably believes, acting in good faith, to be consistent with the achievement of the core and subsidiary purposes, namely:
  - (a) to secure the editorial independence and financial position of the Guardian in perpetuity; and
  - (b) to promote the causes of freedom of the press and liberal journalism both in Britain and elsewhere.
- 4.3 As sole shareholder in GMG and STEL, STL requires both Boards to act on a basis consistent with the fulfilment of their purposes and for which they are accountable in accordance with the directors' fiduciary duties.
- 4.4 Accordingly, in the context of STL's objective of securing the financial position of the Guardian in perpetuity, the STL Board relies upon the GMG Board to assume responsibility for:
  - (a) developing, for approval by STL, the business and financial strategy of the group, including the preparation of budgets and longer-term strategic plans; and
  - (b) overseeing the day-to-day implementation of the strategy, plans and budgets, including giving support and challenge to the Executive Team, and overseeing the management of financial, operational and reputational risk.

# **The Scott Trust**

## **5 STL Responsibilities**

STL is responsible for the following matters:

### **5.1 The editor in chief**

STL seeks to assure independent, high quality journalism and the pursuit of Scott Trust values, primarily through its selection of the editor in chief of The Guardian.

Once a year, at an STL Board Meeting, the EiC leads a discussion regarding objectives and activities for the previous and current years. This follows a discussion between the STL Chair and the EiC. The STL Board notes the EiC's objectives for the current year. The EiC may also invite particular discussion when providing her quarterly editorial update to the Board. The GMG Board shall also have an opportunity to receive the EiC's presentation.

STL has the power to remove the EiC, for example if it is concerned that the EiC is not achieving STL's purpose.

In addition, acting on the advice of the EiC, STL appoints the Readers' Editor (for a three-year term) and the Review Panel.

### **5.2 GMG Board appointments**

The practical approach described below operates against the background that STL, as GMG's shareholder, has the ability to appoint and remove GMG directors.

STL appoints the Chair of GMG, having regard to the recommendations of the STL Nominations Committee, which committee shall, for this purpose, include two GMG non-executive directors.

The appointment of the GMG CEO is made by the GMG Board on advice from the GMG Nominations Committee and in consultation with the STL Chair (who has a standing invitation to attend the GMG Nominations Committee) and the EiC. STL participates in the recommendation of the appointment of the GMG CEO through attendance of the STL Chair at relevant meetings of the GMG Nominations Committee. Before appointment there is appropriate consultation between the STL Chair and the STL Board.

STL gives views, through the STL Chair (seeking STL Board input in forming a view), on the appointment of non-executive directors of GMG.

The GMG Board appoints other GMG Executive Directors (other than the EiC), which board shall be constituted to reflect both editorial as well as business and other relevant experience.

The GMG Chair keeps the STL Chair informed as to discussions concerning Executive Director succession.

### **5.3 STEL Board appointments**

STL appoints the Chair of STEL (who is a STL director) having regard to the recommendations of the STL Nominations Committee.

The directors and non-voting attendees of STEL are appointed by The Scott Trust, its sole shareholder.

Further detail can be found in section 10.

#### **5.4 Approval of three-year plan and annual budgets**

The Group three-year plan and annual budgets are prepared by the CEO and the EiC, then proposed to the GMG Board, which, once satisfied, approves and recommends them to STL for final approval. Approval by the GMG Board is subject to approval being received from STL (as shareholder). As approved by GMG and STL, GMG is responsible for the implementation of the plan and budget.

STL interrogates the three-year plan and annual budgets to the extent that they relate to the quality of its journalism and the sustainability in perpetuity of the Guardian and, recognising its responsibility to protect the value of the Endowment Fund, makes decisions regarding any allocation of funding to GMG to sustain the Guardian.

Material changes to the three-year plan and/or budget (or any major components of them) require the approval of STL as well as the GMG Board.

#### **5.5 Risk including reputational risk**

##### ***GMG Management's role***

Reporting to the GMG Board, the GMG/GNM Executive Committee ("ExCo") and its members have day-to-day responsibility for managing operational, financial and reputational risk. The EiC works hand in hand day-to-day with the CEO with regard to any significant issues concerning reputational risk. The EiC and the CEO should give early warning of any major emerging issues to the GMG Board.

##### ***GMG Board's role***

The GMG Board is responsible for operational, financial and reputational risk, and relationships with stakeholders. The GMG Chair consults with the STL Chair where issues (including as regards remuneration) touch on STL values.

The GMG Board, through the Joint Audit Committee, is responsible for regularly reviewing risk generally, including maintaining the risk register. The GMG Board should give early warning to the STL Chair of any emerging issues that are relevant to STL having regard to its role.

##### ***STL's role***

STL is ultimately accountable for any issues that may materially impact the preservation of the financial position and independence of the Guardian in perpetuity. This includes the reputation of the Guardian, consistency with Scott Trust values and the promotion of liberal journalism.

At least annually STL reviews GMG's overall risk appetite and the risk register as regards significant risks to securing the financial position of the Guardian in perpetuity.

STL sets principles to govern reputational risks for the Group. It delegates oversight over reputational risk to its Governance and Reputation Committee and, as regards investments, to the STEL board.

Editorial decisions are a matter for the EiC, who shall give early warning to the STL Chair of any significant reputational issues that arise for the Guardian.

## **5.6 Remuneration**

### ***Role of STL***

STL sets general remuneration principles (including in relation to differentials across the Group). STL's role in remuneration reflects its accountability for Scott Trust values and the reputation of the Guardian.

The salary of the EiC is set by STL. Editorial staff remuneration is overseen by the EiC, within the constraints of the relevant budget, and subject to salaries above £185k for UK; \$235k for US; and \$290k for Australia being reviewed by the GMG Remuneration Committee (see below).

### ***Role of GMG and the GMG Remuneration Committee***

The formulation of Group salary policies, in accordance with Scott Trust values, is a matter for the GMG Board and its Remuneration Committee. The GMG Remuneration Committee's remit specifically relates, within the policies, to the remuneration of the CEO, the other executive directors, and other members of the ExCo.

The salary of the CEO is set by the GMG Board having consulted with the STL Chair.

Salaries above £185k for UK; \$235k for US; and \$290k for Australia, are reviewed by the GMG Remuneration Committee, which makes recommendations to the appropriate decision maker (EiC, CEO, GMG Board or STL Board, as appropriate).

The annual remuneration report (on a basis broadly consistent with that for major shareholders in a listed company) is presented annually, for information and comment, by the Chair of the GMG Remuneration Committee to the STL Board, or a meeting of an STL Board Committee where appropriate. This report should include information as agreed between GMG and STL with respect to individual remuneration within the scope of the Committee. Where individual salary information is not publicly available it may be agreed to be provided by giving the numbers of people falling into salary bands above £185,000.

The STL Chair is made aware, in advance of any recommendation by the GMG Remuneration Committee, of any contentious aspects of remuneration.

The EiC and CEO are invited to attend GMG Remuneration Committee meetings.

## **5.7 Fundamental organisational change**

The following transactions by any Group company require prior STL approval (acting either directly or by delegation to STEL):

- (a) The disposal, directly or indirectly, of the whole or a significant part of the Guardian or the ceasing of any significant business activity;
- (b) Any steps to merge or amalgamate with any other company and any significant restructuring or reorganisation of GMG or GNM; and
- (c) Any material change to the business or financial model of the Guardian.

*(Note: under the Articles, these items require 75% approval by STL directors.)*

## **5.8 Mid and Long-term view**

Alongside its responsibility to secure the financial position of the Guardian in perpetuity, the STL Board is responsible for ensuring that due consideration is given to the mid and long-term (e.g. over three years). This includes: (i) horizon scanning for future shifts in the market in which the Guardian operates; and (ii) implications for the Guardian's business model and strategy. It may commission, in consultation with GMG, research into particular aspects to assist it in doing so.

# **6 STL Board**

## **6.1 Membership**

All appointments and extensions are made in light of recommendations by the STL Nominations Committee, with a view to the Board overall having an appropriate balance and mix of skills, knowledge and experience having regard to the responsibilities of STL as described in this Framework, including (i) being appropriately balanced as regards diversity of gender, social and ethnic backgrounds; and (ii) having relevant financial, commercial and investment expertise.

The articles provide for a minimum of 8 STL Board members and a maximum of 18. The maximum number of STL Board Members, including the EiC, would not normally exceed 12.

The EiC is a member of the STL Board. From time to time it will be appropriate for the EiC not to participate in particular discussions.

## **6.2 Chair of STL**

### *STL Chair Qualifications*

The STL Chair is someone with substantial experience of journalism, whether in print, broadcast or digital. The key requirement is that they be a person of bravery and integrity, with

the knowledge, judgement and experience that would enable them to respond quickly to a major issue facing the EiC.

#### *Appointment*

The process for the appointment of the Chair of STL is an open one that accords with modern best practice. That is: (a) it is advertised; (b) membership of the appointment committee is known and is composed with due regard for appropriate diversity; and (c) it follows a professional search. The EiC is consulted before a candidate is selected. The appointment of the Chair is then made by the STL Board by written approval of at least 75 per cent of the directors, including the EiC.

#### *Term*

The term of office of the STL Chair is five years, which can be extended by a further five years, subject to a limit of fifteen years in total as an STL Board Member (instead of the usual ten year STL Board Member limit). In line with Corporate Governance standards, only in extraordinary circumstances will it be appropriate for a retiring EiC to be elected as Chair of STL. Any deviation from this principle requires the unanimous approval of the STL Board (excluding anyone with a conflict of interest).

### **6.3 Senior Independent Director**

One of the directors is appointed by the STL Board as the Senior Independent Director. The role of the Senior Independent Director is set from time to time by the STL Board adopting terms of reference.

### **6.4 Secretary**

The Company Secretary's role includes: ensuring good information flows; facilitating induction programmes for new directors; and advising the Board through the Chair on governance matters.

The Secretary reports to the Board at least annually as to compliance with applicable governance requirements, including compliance by the Group with this Framework.

### **6.5 STL Board Member Terms**

Apart from the Chair of STL, the EiC, the CEO and the Journalist Trust Member, all STL Board Members are appointed for the same term (except that any Board Member appointed as such as a member of the Scott family may be reappointed for successive 5 year periods, subject to a maximum aggregate term of 20 years).

The initial term is for five years, with a possible extension for a further term of five years. Extensions beyond these 10 year terms require exceptional circumstances and a vote of 75% of other STL Board Members.

The EiC will step down as a STL director upon their ceasing to hold the relevant executive office. If subsequently appointed a STL Board Member, their term of office is as above (five years plus a possible extension for a further five years) unless some shorter term is agreed on appointment.

## **6.6 Journalist Trust Member**

The STL Board includes one current Guardian journalist (the “**Journalist Trust Member**”), who is a full member of the STL Board, with all responsibilities of being such a member, including the same duty of confidentiality as all other Directors.

The appointment of the Journalist Trust Member is made by STL, taking into account an indicative vote of staff.

The Journalist Trust Member is not a *representative* of staff, or any section of staff (which would potentially conflict with the fiduciary duty of that Director to act in the interests of STL).

The appointment facilitates effective STL Board decision making, by providing an insight into the views and attitudes of staff, and, subject to the duty of confidentiality, enables staff to have an insight into decisions made by STL. The primary responsibility for dealing with staff and unions lies with GMG not with STL.

The Journalist Trust Member is to be treated as any other STL Board Member, except that: (a) he/she would cease to be an STL Board Member if he/she ceases to be an employee of the Guardian group (or otherwise as provided in the Articles); and (b) to allow for fresh views to be available to the Board, and to give more opportunities to talented staff to experience the Board, her/his total term may not exceed five years.

## **6.7 Induction**

New STL Board Members are provided with a comprehensive induction programme designed to familiarise them with: the purpose and mission of the organisation; strategy and financial aspects; key individuals; main business areas and revenue drivers; relevant technology; governance arrangements and corporate structure; and other relevant matters.

The induction programme consists of: a series of introductory meetings with senior editorial and commercial staff, along with Board and Committee Chairs; an opportunity to attend the Editorial morning conference; a tour of the Archive; and a pack of wide-ranging reading materials.

## **6.8 Termination of appointment**

All Board Members are subject to the provisions of STL’s Articles regarding the circumstances in which they shall vacate office.

## 7      **STL Board Committees**

### **7.1    *The STL Nominations Committee***

The purpose of the STL Nominations Committee is to ensure that the STL Board has the necessary skills, knowledge and experience to enable it effectively to discharge its responsibilities. Among other things, it performs this purpose through recommending individuals for appointment to both the STL and STEL Boards and overseeing reviews of STL Board Members ahead of reappointment.

### **7.2    *The STL Governance and Reputation Committee***

The purpose of the Governance and Reputation Committee is: (i) to exercise oversight over all matters relating to corporate governance of STL, GMG, STEL and any other companies in the Group; and (ii) to have oversight over the development of strategy and principles relating to reputation. A non-executive director of GMG shall be appointed to this Committee.

The remit is set in Terms of Reference. In relation to reputation this will include:

- (a) the Guardian's reputation among stakeholders (including readers, employees and customers) and more broadly;
- (b) the Group's approach to monitoring and supporting the values and desired behaviours that form its corporate culture, including diversity;
- (c) the approach to reputational risk and its management;
- (d) the approach to environmental sustainability; and
- (e) the approach to the ethical use of data.

It also oversees an annual board effectiveness review of the STL Board, not less than once every two years; and it receives the annual report of the [Reader's editor](#).

It has no role in relation to the editorial decisions of the Guardian. These are matters for the EiC.

### **7.3    *The Joint Audit Committee***

The Joint Audit Committee performs functions for STL, GMG and STEL, and is a joint committee of all three boards. The Joint Audit Committee Chair shall make an annual report to the STL Board, prior to approval of STL's annual accounts, with respect to the financial position and results of STL, GMG, STEL and GNM. It shall also make an annual report to the GMG Board and the STEL Board, prior to the approval of the GMG annual accounts and STEL annual accounts, respectively, with respect to their financial position and results.

In addition, at an appropriate time in the year, the Joint Audit Committee Chair shall make an annual report to the STL Board, or a meeting of an STL Board Committee where appropriate, reviewing the activities undertaken by the Joint Audit Committee during the year.

## **8      STL Meetings and Reports**

- 8.1 The STL Board meets between four and six times a year (with one meeting, in July, dedicated to approving the accounts), plus an additional one-day away day meeting. Occasionally, additional meetings are required for particular significant decisions.
- 8.2 Annually, at an STL Board meeting, or a meeting of an STL Board Committee where appropriate, the GMG Chair and the Chairs of the GMG Board committees (including the Joint Audit Committee), provide to the STL Board a verbal update regarding key matters and issues relating to the GMG Board and their respective committees over the past twelve months. In addition, the STL Board, directly or through a ST Board Committee, receives regular reports from (among others) the EiC, the CEO, the Readers' Editor, and in respect of the Review Panel and the Guardian Foundation.
- 8.3 The STL Board meets at least annually without the EiC; Board meetings currently include a closed session without the EiC. STL Board Members other than the EiC should also meet once a year without the STL Chair or the GMG Chair.
- 8.4 The STL Chair keeps the STL Board informed regarding GMG business.
- 8.5 Reflecting the close relationship between the Boards of STL and GMG, as a matter of general practice, the GMG Chair is invited to STL Board meetings and the STL Chair to GMG Board meetings (in each case on a non-voting basis). The Chairs should be sensitive to perceptions of loss of independence, generally and on particular issues, as well as, in the case of the STL Chair, of too close an involvement in operational matters that are the responsibility of the GMG Board. Their participation in such meetings must not be taken to compromise their independence or freedom of action within their own Boards. There will be instances in which they should not participate in particular discussions. The CEO is also invited to attend STL Board meetings on a non-voting basis as required.
- 8.6 The GMG Board is responsible for reviewing the performance, development and succession of the executive team (other than the EiC). STL receives an annual board effectiveness review of the GMG Board, facilitated by the Senior Independent Director of the GMG Board, with the STL Chair having involvement in the commissioning of that evaluation. The evaluation includes consideration of the effectiveness of the working relationship between the STL Board and the GMG Board, and the availability of the necessary skills in the GMG Board to perform its responsibilities, including the responsibilities it assumes at the request of STL.

Reflecting STL's position as shareholder and the responsibilities of GMG to STL, the Chair of GMG shall provide to the STL Board annually his/her views as to the effectiveness of the GMG Board (including the executive directors) and any plans with respect to issues raised in the effectiveness review.
- 8.7 A joint meeting of the STL Board and the GMG Board is held ideally no less than once a year, with a topic and agenda to be selected by the two Chairs.

# **The GMG Board**

## **9 Responsibilities of the GMG Board**

The responsibilities of the GMG Board include the following matters:

### **9.1 Three-year plan, annual budgets and operations**

With a view to securing the financial position of the Guardian in perpetuity, and in close consultation with the EiC and the CEO, the GMG Board reviews, approves and recommends for approval by STL: (i) the strategy for the business of GMG set out in the Group three-year plan; and (ii) annual budgets.

It takes particular account of the views of the EiC and STL as to the level of resourcing needed to maintain the quality of the Guardian's journalism.

It oversees the implementation by the CEO, EiC and executive team of the three-year plan and annual budgets, and the effective working of ExCo.

The Chair of GMG has responsibility to raise with the Chair of STL any concerns as to effective decision making or effective implementation of the budget or Group three-year plan.

The GMG Board (itself or through its Board Committees as appropriate) is also responsible for the matters referred to, and to the extent described in, paragraphs 4.3, 4.4, 5.2, 5.4, 5.5, 5.6, 5.7, 7.3 and 8.2 above.

### **9.2 Transactions and investment**

Subject to STL's right to approve significant transactions described in 5.7 and except for matters relating to the Endowment Fund, GMG has authority to approve:

- (a) all investments in, or acquisitions (including business combinations) or disposals of companies, businesses or assets;
- (b) any budgeted capital expenditure;
- (c) GMG treasury policy and approval of deposit taking banks and limits;
- (d) provision on behalf of the Group (other than STL) of any security, indemnity, Group guarantees or similar contingent liability;
- (e) any Group (excluding STL) financial facility;
- (f) any significant change in Group accounting policy or practice that does not impact the accounting policy or practice of STL;

- (g) prosecution, defence or settlement of litigation except litigation that: (i) threatens a purpose of STL; or (ii) may compromise the Guardian, its reputation or the independence of its journalism; and
- (h) Group Health & Safety policy.

### **9.3 Board Appointments and Remuneration**

The arrangements with respect to GMG Board appointments, remuneration and removal are set out in 5.2 and 5.6 above and in the Articles of GMG.

### **9.4 Permission to disclose information**

In performing their responsibilities described in this Framework, each director of GMG is entitled to disclose to STL any information in their possession regarding GMG and its subsidiaries.

Similarly, any information received by directors of GMG in their capacity as directors of STL may be disclosed by them to the GMG Board subject to any confidentiality restraints agreed by the STL Board or requested by the STL Chair.

## **The Scott Trust Endowment Limited**

### **10 The Scott Trust Endowment Limited**

The purpose of the Scott Trust Endowment Limited (“**STEL**”) is, subject to the policies set by STL from time to time, to oversee the Endowment, with a view to enabling STL to fulfil its purpose of securing and preserving the financial position of the Guardian in perpetuity.

#### **10.1 Remit and responsibilities of the STEL Board**

STEL’s remit and responsibilities are as follows:-

1. Formulate for STL approval, and oversee, high-level investment policies and principles designed to maximise returns while having a positive social and environmental impact in line with the Scott Trust’s values, in order to support the Trust’s core journalistic mission in the long term.
2. With a view to securing the financial position of the Guardian in perpetuity, approve and oversee investment strategies and asset allocation policies formulated and implemented by the STEL executive, supported by the Endowment’s investment advisers in line with the policies and principles, ensuring as far as possible that the fund has sufficient liquidity to meet agreed funding needs of GMG.
3. Review and advise the STL Board on the impact of agreed funding levels, and any additional funding requests from the GMG board to STL, on the long-term financial position of the Endowment and its continuing ability to provide funding.
4. Taking into account recommendations of the Chief Investment Officer, review and approve the appointment and removal of investment advisors.

#### **10.2 Directors and attendees**

The STEL board consists of at least 4 directors, to include: (i) The Scott Trust Chair; (ii) the Scott Trust board member who has been designated as the STEL Chair; (iii) the Scott Trust board member who sits on the Joint Audit Committee; (iv) up to three external (“independent”) directors; and (iv) the Chief Investment Officer. Each STEL director (other than the Chief Investment Officer and the independent directors) must be a Scott Trust board member.

In addition to the STEL directors, (non-voting) attendees include: up to two GMG non-executive board members; and the Chair of the Joint Audit Committee

The GMG Chair, EiC, CEO and CFOO all have a standing invitation to attend meetings.

The directors and attendees of STEL are appointed by The Scott Trust, its sole shareholder.

#### **10.3 Chair of STEL**

STL appoints the Chair of STEL (one of the STL directors).

## **10.4 Meetings**

It is envisaged that the STEL board meets at least four times per year. An annual calendar is developed by STEL to facilitate annual and quarterly recurring agenda items.

The quorum for board meetings is two directors.

## **10.4 Mercuri (formally known as GMG Ventures)**

Mercuri is structured as a separate limited partnership, with STL as a limited partner, falling under the oversight of STEL.

The founders of Mercuri have subsequently established a new, second fund, which operates independently of STL/GMG, in which STL is one of several investors. STL's investment in this second fund is managed as a part of the Endowment in the normal way.

## **The Guardian Foundation**

### **11 The Guardian Foundation (the “Foundation”)**

The Foundation is a charity operating with the support of STL and GMG, structured as a company limited by guarantee, whose sole member is STL. It is registered with the Charities Commission and has its own board of trustees. Its focus, as set out in its Charities Commission submissions, is for the charitable advancement of education, human rights and the right to information.

GMG and the Foundation from time to time agree a framework for:-

- (a) the use of the ‘Guardian’ brand and trade mark;
- (b) the provision of shared services by GMG to the Foundation (e.g., finance, legal and HR);
- (c) the provision of services by the Foundation to GMG/GNM; and
- (d) arrangements as to office space.

The Foundation undertakes initiatives in fulfilment of STL’s subsidiary purpose described in paragraph 2.3.

Cash funding for the Foundation shall be determined by STL after discussion with the EiC and the CEO. Costs borne by GNM will be subject to the approval of the EiC and the CEO and shall be agreed in the annual budget process, together with costs to be borne by GMG.

The Foundation shall be free to seek its own funding subject to consultation with the EiC and the CEO with regard to any potential reputational issues for the Guardian.

## **theguardian.org**

### **12 theguardian.org**

The Guardian is supported by theguardian.org, a US-based 501(c)(3) nonprofit organization, whose mission is to “advance and inform public discourse and citizen participation around the most pressing issues of our time through the support of independent journalism and journalistic projects at the Guardian”.

theguardian.org has its own Board of Trustees and pursuant to the organisation’s bylaws, the Scott Trust is responsible for appointing one director to the Board of theguardian.org. The Scott Trust appointed director serves for a one-year term, which can be extended for subsequent one-year terms and can serve an indefinitely number of terms.

theguardian.org and GNM have a resource sharing agreement in furtherance of the shared mission of educating, advancing, and informing public discourse and citizen participation through the support and advancement of independent journalism. Under this agreement, GNM may donate personnel services, office space, equipment, and other similar resources to theguardian.org as in-kind contributions.

## **Status of the Governance Framework**

### **13 Status**

#### **13.1 Amendments to the Governance Framework**

This Framework may be amended from time to time to reflect changes agreed between the Boards of STL, GMG and STEL.

#### **13.2 Conflict with constitutional documents**

This Framework is intended to be consistent with the constitutional documents of STL, GMG, STEL and GNM. If any provision of this Framework cannot be reconciled with the constitutional documents, then the provision of those documents shall have precedence.