

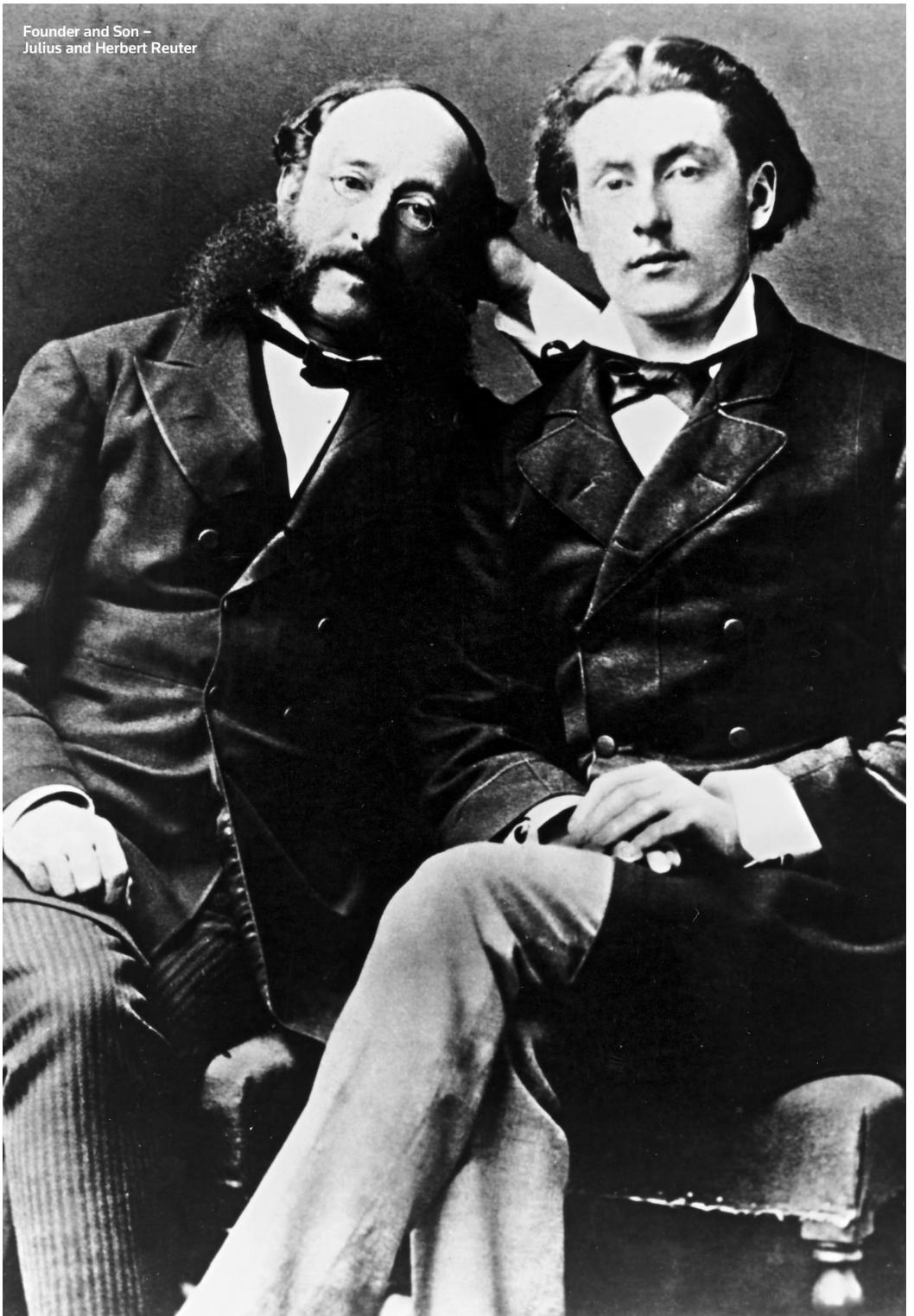
THOMSON REUTERS FOUNDERS SHARE COMPANY LIMITED

TRUST
INTEGRITY
INDEPENDENCE
FREEDOM FROM BIAS



THOMSON REUTERS™

Founder and Son –
Julius and Herbert Reuter



PART 01 MESSAGE FROM THE CHAIRMAN



The integrity and independence of the news media has come under pressure in recent years, both due to changes in the global political power structure and to developments within the news media themselves. This presents the providers of news with a challenge: they have to earn the confidence of their clients through convincing efforts to strengthen their credibility. Key words are Trust, Integrity and Freedom from Bias – and these are exactly the key elements in the Thomson Reuters Trust Principles, first established more than 70 years ago when the freedom of the news media was also under pressure.

Thomson Reuters is privileged to operate under such a set of guiding principles. It gives particular strength and credibility to the entire business.

I hope this pamphlet will help you to understand the history behind the Trust Principles and the very special role played by the Founders Share Company. The company is unique in the media world: twelve different countries from all over the world are represented among its Trustee Directors. It is our task to uphold and promote the Trust Principles and to do everything possible in cooperation with the Thomson Reuters Board itself to ensure the observance of the Principles across this world wide business. 

January 2013.

PART 02 THE HISTORY

In 1850, Julius Reuter started in business as a news-provider in Aachen, Prussia, combining telegraph cables and a fleet of carrier pigeons. In April 1865, his reputation leapt when, having moved his headquarters to London, he took advantage of the telegraph station at Greencastle, Northern Ireland, to become the first to break the news of Abraham Lincoln's assassination, demonstrating a passion for news and a commitment to using the most modern technology of the time.

In 1941, Reuters was owned by the Press Association. There were threats of censorship and "propaganda" around the world. The owners agreed that Reuters should never yield to these threats to its independence and integrity, and therefore decided to apply fundamental principles of independence and integrity, known as the Reuters Trust Principles (the Principles), to the Reuters business. The Principles imposed obligations on Reuters and its employees to act at all times with integrity, independence and freedom from bias. The Principles, in broad terms, required that:

- No single interest, group or faction should come to dominate Reuters;
- There should be no interference in the integrity, independence or freedom from bias of Reuters; and
- Reuters should devote the appropriate resources to maintaining its leading position in the international news and information business

PART 03

INTRODUCTION OF PUBLIC SHAREHOLDERS

In the 1970s, Reuters added new services to its offering. Financial news and information were packaged to suit the growing needs of commercial and investment banks, insurance companies, brokers and other organisations in the financial services industry.

The owners of Reuters – by then essentially British, Australian and New Zealand newspaper proprietors and publishers through their respective press associations – believed the Reuters business could be expanded and grown to the benefit of its shareholders. The owners and the Reuters Board therefore decided in 1984 that the company's shares should be publicly traded.

The owners and the Reuters Board were determined to protect and preserve the Principles established in 1941. A unique structure was put in place to achieve this. A new company was formed and given the name 'Reuters Founders Share Company', its purpose being to hold a 'Founders Share' which empowered it to restrict shareholdings to 15% and to veto certain changes to Reuters constitution. The directors and members of the Founders Share Company, who are known as the Trustees of the Principles, were required to exercise their powers to uphold the Principles. Reuters was itself obliged and committed to apply the Principles to its operations.

Over the years, as Reuters further expanded its services into new areas of information, the Trustees, with the approval of the Reuters Board, applied the Principles to all Reuters activities.

There were attacks on Reuters independence once the company's shares were publicly traded. However, they were thwarted by the Trustees' absolute refusal to relax the 15% limit on shareholdings in Reuters which was built into its constitution. Were this limit to be exceeded, the voting rights attaching to such a holding would have been suspended until the Reuters Board had effected the sale of the excess holding.

PART 04

THE CREATION OF THOMSON REUTERS

In early 2007, Thomson, the Canadian-owned information group, proposed that it should acquire the Reuters group. If the proposal were to be implemented, Woodbridge, the Thomson family investment company and controlling shareholder of Thomson, would thereby gain a majority interest in the combined Thomson Reuters group.

The Thomson family, through Woodbridge and Thomson, had in the past been significant newspaper publishers in the United Kingdom and North America. In carrying on its media and other businesses over the years, Woodbridge and Thomson had earned a reputation for allowing the businesses in which they invested to speak with an independent voice and, more generally, for adhering to high standards of business ethics.

Woodbridge admired the Principles and what they stood for. Indeed, Woodbridge concluded that the Principles were essentially a codification of the way it and Thomson had conducted business over many years. Woodbridge and Thomson therefore agreed that the Principles should apply to the whole of the combined Thomson Reuters business. Woodbridge agreed to support the Principles and to exercise its voting rights to give effect to this support. In addition, Woodbridge agreed not to transfer its majority to anyone who had not agreed to support the Principles without the consent of the Board of the Founders Share Company. If it were to dispose of a significant part of its interest so as to reduce its shareholding to 35% or below, the previous rights attaching to the Reuters Founders Share would revive.

The Founders Share Company Board considered carefully the proposed acquisition of Reuters by Thomson. The Board was convinced by Thomson's and Woodbridge's assurances that they would protect and uphold the Principles, and by the legal protections designed to underpin those assurances. On that basis, the Board agreed to support Thomson's acquisition of Reuters.

The Trustees also concluded that the acquisition would help secure the financial health of the Reuters business. As a result of acquisition, Thomson Reuters is a world leader in its field. The new group covers News, Financial & Risk, Legal, Intellectual Property & Science, Tax & Accounting. Thomson Reuters now employs around 60,000 people and has approximately 3,000 journalists around the globe.

The Trustees visit Thomson Reuters businesses all over the world in order to see and understand Thomson Reuters worldwide operations and assist in the promotion and integration of the Principles.

Thomson Reuters Corporation is domiciled in Toronto but the head office is in New York. The Founders Share Company holds a Founders Share in this company and, through the special rights attached to this share, seeks to ensure observance of the Principles by Thomson Reuters. The Founders Share Company has open access to the Thomson Reuters Board.

In September 2009, the Founders Share Company changed its name to Thomson Reuters Founders Share Company to align itself fully with the newly-created Thomson Reuters business, and the Reuters Trust Principles became known as the Thomson Reuters Trust Principles.

PART 05 THE TRUSTEES

The Trustees are experienced and eminent people from the world of politics, diplomacy, journalism, public service and business.

They have all held high offices in their respective sectors.

The Trustees are selected by a Nomination Committee and proposed to the Board of the Founders Share Company for appointment. The Nomination Committee also has unique features. Two of its members are Judges from the European Court of Human Rights and assist in scrutinizing candidates' suitability. The Thomson Reuters Board has two representatives on the Nomination Committee and our own Board has five representatives including the Chairman, who also chairs the Committee. Other members are representatives of the press associations from the UK, Australia and New Zealand.

The number of Trustees has to be at least fourteen and not more than eighteen. Trustees have a minimum of two meetings per year. We receive reports on Thomson Reuters' activities in the different fields in which it operates and we meet with both the Thomson Reuters Board and representatives of senior management. Through the Chairman, regular contact is maintained with Thomson Reuters. The relationship is one of trust and confidence.

For a list of all Trustees please see the Thomson Reuters website at:
[thomsonreuters.com/about-us/trust-principles/trustee-directors](https://www.thomsonreuters.com/about-us/trust-principles/trustee-directors)

PART 06

THE THOMSON REUTERS TRUST PRINCIPLES

The principles, which the Trustees seek to ensure are upheld, are:

- That Thomson Reuters shall at no time pass into the hands of any one interest, group or faction;
- That the integrity, independence and freedom from bias of Thomson Reuters shall at all times be fully preserved;
- That Thomson Reuters shall supply unbiased and reliable news services to newspapers, news agencies, broadcasters and other media subscribers and to businesses, governments, institutions, individuals and others with whom Thomson Reuters has or may have contracts;
- That Thomson Reuters shall pay due regard to the many interests which it serves in addition to those of the media; and
- That no effort shall be spared to expand, develop and adapt the news and other services and products of Thomson Reuters so as to maintain its leading position in the international news and information business

PART 07

APPENDIX

THE RIGHTS ATTACHING TO THE FOUNDERS SHARE

The constitution of Thomson Reuters Corporation (the ultimate parent company of the Thomson Reuters business) includes provisions to safeguard the Principles on a basis that corresponds to the principal restrictions previously contained in Reuters constitution.

Thomson Reuters Corporation has issued a Founders Share to Thomson Reuters Founders Share Company, which enables the Founders Share Company to block any shareholder who threatens the Principles.

The Founders Share entitles the Founders Share Company to vote in circumstances where:

- (i) a person, other than one that has been approved by the Founders Share Company (an “Approved Person”), has acquired (or is otherwise interested in) 15 per cent. or more of the outstanding voting shares of Thomson Reuters; and
- (ii) a person has acquired (or is attempting to acquire) control of Thomson Reuters, by becoming the owner of, or otherwise interested in, 30 per cent. or more of its outstanding voting shares.

In such circumstances, votes cast by the Founders Share Company, alone or in combination with votes cast by Approved Persons, will be sufficient either to negate the voting power of the acquiring person or to constitute the requisite majority voting power to pass or defeat any shareholders resolution.

PART 07

APPENDIX (CONTINUED)

THE CONTRACTUAL ARRANGEMENTS

Under a Deed of Mutual Covenant entered into by Thomson Reuters, the Founders Share Company and the four Press Associations:

- Each of Thomson Reuters and the Founders Share Company covenants with the Press Associations to use its best endeavours to ensure that the Principles are complied with
- The Thomson Reuters Board will have due regard to the Principles and to the rights and duties of the Trustees in so far as, by the proper exercise of its powers and in accordance with the other duties of directors, those principles are capable of being observed by the Thomson Reuters Board
- Thomson Reuters will have an office of editor-in-chief of the news services of Thomson Reuters and will provide the Founders Share Company with the opportunity to consult with the Thomson Reuters Board prior to appointing an individual to, or removing an individual from, such office
- Thomson Reuters will keep the Founders Share Company informed of material matters relating to the business and affairs of Thomson Reuters that may reasonably be expected to affect the interests of the Founders Share Company in relation to the Principles
- The Founders Share Company will keep Thomson Reuters informed regarding its views on matters relating to the conduct of the business and affairs of Thomson Reuters in relation to the Principles

PART 07

APPENDIX (CONTINUED)

THE CONTRACTUAL ARRANGEMENTS

In addition, Woodbridge, which is the controlling shareholder of Thomson Reuters, has entered into the Thomson Reuters Trust Principles Support Agreement with the Founders Share Company which provides for Woodbridge to support the Principles and to exercise its voting rights to give effect to this support. Under the Agreement, the Founders Share Company has irrevocably designated Woodbridge as an Approved Person for so long as Woodbridge is controlled by members of the Thomson family, companies controlled by them and trusts for their benefit.

Further details of the Deed of Mutual Covenant, the Thomson Reuters Trust Principles Support Agreement and the articles of Thomson Reuters are available from the Secretary of Thomson Reuters.

PART 07

APPENDIX (CONTINUED)

RESPONSIBILITIES OF THE TRUSTEES

The relevant provisions of the Deed of Mutual Covenant provide a framework within which the Trustees carry out their functions. This is, however, vitally enhanced by the high degree of trust between the Trustees, and particularly their Chairman, and the board and senior management of Thomson Reuters. The Trustees monitor the changes in ownership of Thomson Reuters share capital and the group's activities. This includes regular reports on compliance with the Principles and on the business. The Trustees also assess whether the manner in which Woodbridge intends to vote on each shareholders' resolution of Thomson Reuters is consistent with the Principles and, to the extent it is not, they will seek to exercise the rights of the Founders Share Company under the Thomson Reuters Trust Principles Support Agreement to require Woodbridge to vote consistently with the Principles.

The Trustees are aware that in order to fulfill their responsibilities, including those arising out of potential expansion into new areas of business, they need to be kept informed of key developments through contact with the board and senior management of Thomson Reuters. They are encouraged to visit offices around the world and meet Thomson Reuters management and staff. Reports of these visits are sent to the other Trustees and also to senior management of Thomson Reuters. Procedures exist to ensure they are rapidly alerted to any perceived external or internal threat to the integrity or independence of Thomson Reuters which might benefit from their intervention or require them to exercise their powers.



Reuters photographer Kim Kyung-hoon works in Minamisoma's devastated area hit by an earthquake and tsunami, about 18km (11 miles) from the damaged Fukushima nuclear power station, in Fukushima prefecture, April 11, 2011.

REUTERS/Chris Meyers



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