

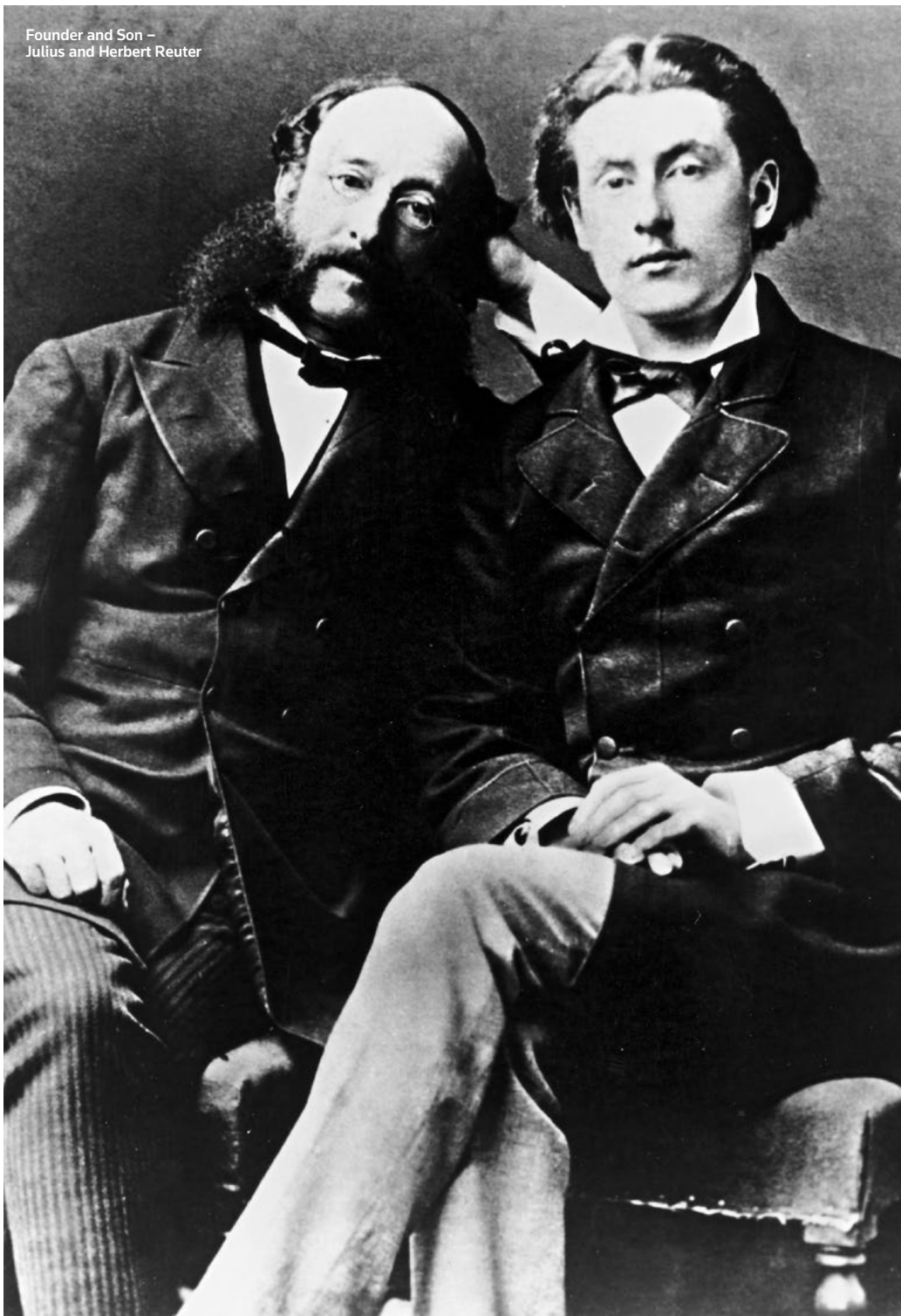
THOMSON REUTERS FOUNDERS SHARE COMPANY LIMITED

**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 relentless pressure in recent years, arising from changes in the global political power structure and developments within the news media themselves, where the changes arise from digital technology deployment and the commercial and behavioural disruption attaching to it. This presents the providers of news with a challenge: they must earn the confidence of their clients through convincing efforts to strengthen credibility.

The key words invariably invoked to reflect that credibility are 'Trust', 'Integrity' and 'Freedom from Bias' – and these are exactly the key elements in the Thomson Reuters Trust Principles which were first established more than 75 years ago when freedom of news media was under extreme pressure at the height of World War II.

Thomson Reuters is privileged to operate under such a set of guiding editorial principles. It gives singular strength and credibility to the enterprise.

We hope this pamphlet will help readers better 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. 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 their observance.



Kim Williams AM, December 2018.
Chairman, Thomson Reuters Founders Share Company

PART 02 THE HISTORY

In 1850, Paul Julius Reuter started as a commercial news provider in Aachen, Prussia, combining telegraph cables and a fleet of carrier pigeons to deliver timely information to a diverse group of clients. 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 of Great Britain. There were threats of censorship and propaganda around the world. The owners wanted to admit newspaper proprietors with the sale of 50% of the shares to stabilise the business commercially. Safeguards for the independence of Reuters were considered with the government of the day. The shareholders of Reuters agreed that fundamental principles of independence and integrity, known as the 'Reuters Trust Principles', would be applied to the business. The first set of Principles were drafted by William Haley (later the Director General of the BBC and then a long-term editor of the Times) and initially contained in an 'Agreement of Trust' entered into by the then shareholders of Reuters. They imposed obligations on Reuters and its employees to act always with integrity, independence and freedom from bias.

The Trust Principles, in broad summary, required at the time 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 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 Reuters shares should be publicly traded.

The owners and the Reuters Board needed (and wished) 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 individual shareholdings to a maximum of 15% and to veto certain changes to Reuters constitution. The directors and members of the Founders Share Company, who are known as the 'Trustees', 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 applied the Principles to all Reuters activities.

There were attacks on Reuters independence once its 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 to acquire the Reuters group. If the proposal were to be implemented, Woodbridge, the Thomson family investment company and controlling shareholder of Thomson, would 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. Woodbridge concluded that the Principles were essentially a codification of the way that it and Thomson had conducted business over many years. 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 shares to anyone who had not agreed to support the Principles without the consent of the Board of the Founders Share Company. If Woodbridge 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 Founders Share Company 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. The acquisition closed in April 2008 and Reuters continues to be a world leader in its field. Reuters now has approximately 2,500 journalists reporting from nearly 200 locations worldwide.

The Trustees visit Thomson Reuters news bureaux all over the world 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, Ontario, Canada. 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.

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'.

In October 2018, Thomson Reuters entered into a new strategic partnership with Blackstone by which Thomson Reuters sold a 55% majority stake in its Financial & Risk business (now known as 'Refinitiv') to private equity funds managed by Blackstone. Affiliates of Canada Pension Plan Investment Board and GIC invested alongside Blackstone. As part of that transaction, Refinitiv entered into a 30-year agreement to secure access to news services provided by Reuters and to provide Reuters with a long-term revenue stream. Thomson Reuters further agreed to additional protections in favour of the Founders Share Company intended to safeguard the continued operation of the Reuters news business as a separate business unit within Thomson Reuters and to require the consent of the Founders Share Company to any material future transaction involving the Reuters news business.

The Founders Share Company Board provided its support for the Financial & Risk transaction and amended governing framework as an arrangement which improved the ongoing operational, editorial and commercial prospects for Reuters whilst preserving the continuing application and relevance of the Principles.

PART 05

REUTERS FAST FACTS

- Reuters' editorial material reaches billions of people worldwide every day through its extensive worldwide body of professional media and other clients whose services depend on Reuters as a primary source of professionally reliable, independent news and other information.
- Reuters has 2,500 journalists in nearly 200 locations around the globe, delivering unparalleled international and national news coverage and detailed financial and data coverage of world issues and commercial activity.
- Each year, Reuters delivers over 2 million unique news stories
- More than 730,000 pictures and images and 110,000 video stories are published by Reuters every year
- In 2018, Reuters received more than 125 award recognitions

PART 06

THE TRUSTEES

The Trustees are experienced and eminent people chosen from diverse arenas in politics, diplomacy, media, 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 scrutinising candidates' suitability. The Thomson Reuters Board has two representatives on the Nomination Committee. The Chairman and the Deputy Chairman of the Founders Share Company Board are members of the Nomination Committee and the Chairman, who also chairs the Committee, appoints three other Trustees to the Nomination Committee. The other members are representatives of the press associations from the UK, Australia and New Zealand which sustains the editorial and operational connection central to the formulation of the original Trustees structure from 1941 and various subsequent iterations since then.

The number of Trustees must be at least 14 and not more than 18. Trustees have a minimum of two meetings per year. The Trustees receive reports on Thomson Reuters activities on the different fields in which it operates (including Reuters news) and meet with representatives of senior management regularly at Board meetings and site visits. The Trustees also have access to the Thomson Reuters Board and editor-in-chief of Reuters news as necessary. 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/en/about-us/trust-principles.html

PART 07

THE THOMSON REUTERS TRUST PRINCIPLES

The Principles in effect presently, with which the Trustees seek to ensure compliance, are:

- that 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 Reuters shall supply unbiased and reliable news services to newspapers, news agencies, broadcasters and other media subscribers and to businesses, governments, institutions and others with whom 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 08

APPENDIX

THE RIGHTS ATTACHING TO THE FOUNDERS SHARE

The constitution of Thomson Reuters Corporation (the parent company of the Thomson Reuters business) includes provisions to safeguard the Principles as they apply to the Thomson Reuters business.

Thomson Reuters Corporation has issued a Founders Share to Thomson Reuters Founders Share Company, which confers a number of special rights upon the Founders Share Company.

In particular, 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% 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% 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.

Further, the rights attaching to the Founders Share include certain consent rights. For example, Thomson Reuters is required to obtain the Founders Share Company's prior consent prior to undertaking any sale of, or other material transaction involving, the Reuters news business unit (including any material acquisition by, or disposal from, the Reuters news business unit).

PART 09

APPENDIX (CONTINUED)

THE CONTRACTUAL ARRANGEMENTS

Under an Amended and Restated Deed of Mutual Covenant entered into on October 1, 2018 by Thomson Reuters, Reuters News & Media (a subsidiary of Thomson Reuters), the Founders Share Company and the four press associations:

- each of Thomson Reuters, Reuters News & Media 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 and Reuters News & Media Boards 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 their powers and in accordance with the other duties of directors, those principles are capable of being observed by the Thomson Reuters and Reuters News & Media Boards;
- Reuters will have an office of editor-in-chief of the news services of Reuters and a senior business leader 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 offices;
- Thomson Reuters and Reuters News & Media 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; and
- 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.

Under a Reuters Support Agreement entered into on October 1, 2018 by Thomson Reuters, Reuters News & Media and the Founders Share Company:

- the Founders Share Company's prior consent is required for any transfer or sale of Reuters outside of the Thomson Reuters group, any material acquisition by, or material disposition from, the Reuters news business unit, and any amendments to the news agreement with Refinitiv relating to the Principles or in a manner which would negatively impact the annual fee payable by Refinitiv to Reuters under the news agreement or which significantly increases Reuters' costs under the news agreement without reimbursement.

- Reuters is to be maintained as a separate business unit of Thomson Reuters; and
- Thomson Reuters agrees that Reuters will be the sole business unit through which it will carry on the business of providing multimedia news services;

In addition, Woodbridge, which is the controlling shareholder of Thomson Reuters, entered into a Third Amended and Restated Thomson Reuters Trust Principles Support Agreement on October 1, 2018 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 Thomson Reuters Trust Principles Support Agreement, the Founders Share Company has irrevocably designated Woodbridge as an Approved Person (being an entity approved by the Founders Share Company to acquire or own 15% or more of the share capital of Thomson Reuters and in relation to which the Founders Share Company's enhanced voting rights are suspended) for so long as Woodbridge is controlled by members of the Thomson family, companies controlled by them and trusts for their benefit.

Copies of the following documents have been filed with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission and are publicly available without charge at www.sedar.com and www.sec.gov:

- Amended and Restated Deed of Mutual Covenant;
- Reuters Support Agreement;
- Third Amended and Restated Thomson Reuters Trust Principles Support Agreement; and
- Articles of Thomson Reuters Corporation

A copy of the Articles of Thomson Reuters Founders Share Company is available without charge from the Secretary of the Company.

PART 09

APPENDIX (CONTINUED)

RESPONSIBILITIES OF THE TRUSTEES

The relevant provisions of Thomson Reuters Corporation's Articles of Amalgamation, the Deed of Mutual Covenant and the Reuters Support Agreement 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 fulfil their responsibilities, including those arising out of potential expansion into new areas of business and the evolving nature of the news media industry, 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 power.



A migrant family, part of a caravan of thousands traveling from Central America to the United States, run away from tear gas in front of the border wall between the U.S. and Mexico in Tijuana, Mexico, November 25, 2018

REUTERS/Kim Kyung-Hoon

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