

## TERMS OF REFERENCE FOR THE INVESTMENT COMMITTEE

These terms of reference for the Investment Committee have been adopted by the Board of Directors (the "Board") of Guardian Media Group plc (the "Company"). The Investment Committee (the "Committee") shall review and reassess these terms of reference annually and recommend any proposed changes to the Board for approval. If the Investment Committee has not met, the terms of reference will be reviewed and approved by the Board.

### **Purpose**

The purpose of the Committee is to assist the Board in its oversight of the Investment Fund.

### **Duties and Responsibilities**

In furtherance of this purpose, the Committee shall have the following duties and responsibilities:

#### Fund Advisors

1. To appoint / dismiss advisors to the Investment Fund and approve their remuneration.

#### Fund Allocation

2. To define the financial objectives of the Investment Fund.
3. To set asset class risk/reward parameters and document any investment preferences, biases or constraints.
4. To review the fund allocation over a range of asset classes and make recommendations to the Board on the level of funding and allocation.
5. To appoint / dismiss managers in respect of each asset class selected.
6. To undertake the fiduciary duty to monitor performance of the Investment Fund on a quarterly basis and report to the Board accordingly, demonstrating it has exercised due and sufficient oversight, unless the advisors to the Investment Fund are requested to report directly to the Board.
7. To receive and review investment fund performance reports prepared by the investment manager / consultants and make recommendations to the Board on any suggested changes to the asset allocation.
8. To monitor the market value of the Investment Fund, and compare with the market value of the Group's investments in qualifying trading assets.
9. To consider and approve the rebalancing of assets over time, to comply with the agreed asset allocation.

### Winding up of Fund

10. To consider and make recommendations to the Board on the winding up of the Investment Fund, as and when the Committee and / or the Board believe it is appropriate.
11. To perform any other activities consistent with these terms of reference, as the Committee or the Board deems necessary or appropriate.

### **Outside Advisors**

The Committee, acting by majority vote, shall have the authority to retain, at the Company's expense, outside legal, accounting, or other advisors or experts it deems necessary to perform its duties. The Committee shall retain these advisors without seeking Board approval and shall have sole authority to approve related fees and retention terms. The Committee shall receive appropriate funding from the Company for payment of fees to outside advisors engaged by the Committee.

### **Annual Performance Evaluation**

The Committee shall conduct an annual self-performance evaluation, including an evaluation of its compliance with these terms of reference. The Committee shall report on its annual self-performance evaluation to the Board and recommend to the Board any improvements to these terms of reference it deems necessary.

### **Membership and Independence Requirements**

The Committee shall consist of no fewer than two (2) directors, as determined by the Board and at least one Committee member shall meet the applicable independence requirements set out in The Combined Code, as determined by the Board, and any other requirements set forth under applicable laws, rules and regulations, subject to any applicable exceptions, exemptions or phase-in periods.

Committee members shall be appointed by the Board and may be removed, with or without cause, by a majority vote of the Board.

The chief executive, group financial director and company secretary shall normally attend meetings. Other executive and independent directors shall also have the right of attendance.

The company secretary or the Committee's nominee shall be the secretary of the Committee.

### **Chairman**

The Committee shall include a Committee chairman. The Committee chairman shall be appointed by a majority vote of the Board. The Committee chairman shall be entitled to chair all regular sessions of the Committee and add topics to the agenda. In the event of a

tied vote, if less than the entire Committee has voted on such matter, then such matter shall be voted on by the entire Committee. If a tie persists after the entire Committee has voted on the matter, then such matter shall be voted on by the independent members of the Board of Directors, with independence being determined in accordance with The Combined Code.

### **Meetings**

The Committee shall meet, in person, as and when required, and all Committee members shall strive to be present at all Committee meetings. The Committee meetings shall follow a set agenda established by the Committee.

The Committee chairman may call a Committee meeting upon due notice being given to each other Committee member at least forty-eight (48) hours prior to the meeting. Two Committee members, acting in person or by proxy, shall constitute a quorum.

The Committee may invite to, or exclude from, its meetings any individual it deems appropriate in order to carry out its responsibilities.

### **Reporting Procedures**

The secretary shall prepare and circulate the minutes of the meeting of the Committee to all members of the Board and maintain a minute book containing minutes of meetings signed by the Chairman of the meeting.

The Committee shall report its actions and recommendations to the Board after each Committee meeting.

### **Transparency**

The terms of reference of the Committee will be published on the Company web-site [www.gmgplc.co.uk](http://www.gmgplc.co.uk) and made available on request, from the company secretary.

The Committee will make a statement in the annual report about its activities. The statement will include details on the membership of the Committee, the number of Committee meetings and attendance over the course of the year.

Approved by the Board June 2009