

STV Group plc

Matters reserved for the Board Adopted by the Board on 15 December 2011

Delegation

The Board has reserved the following matters for its direct stewardship and decision making in conjunction with the Audit, Remuneration and Nomination committees to which certain of the matters may be delegated or be the subject of recommendation from.

Strategy and Management

1. Approval of the Group vision, values and overall governance framework.
2. Responsibility for the overall management of the Group including setting the Group's long term objectives and commercial strategy, and the extension of the Group's activities into new business or geographic areas.
3. Approval of the annual operating and capital expenditure budgets and any material changes to them.
4. Oversight of the group's operations including:-
 - competent and prudent management
 - sound planning
 - an adequate system of internal control
 - adequate accounting and other records
 - compliance with statutory and regulatory obligations
5. Any increase, or significant variation in terms (other than arising from changes in interest rates) of the borrowing facilities available to the Company and its subsidiaries,
6. Review of performance in light of the company's strategy, objectives, business plans and budgets and ensure that any necessary corrective action is taken.
7. Any decision to cease to operate all or any material part of the company's business.

Structure and Capital

8. Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs including the use of treasury shares.
9. Major changes to the Group's corporate structure.
10. Major changes to the Group's management and control structure.
11. Any changes to the Company's listing or its status as a plc.

Financial Reporting and Controls

12. Approval of the half yearly report, interim management statements and any preliminary announcement of the final results.
13. Approval of the annual report and financial statements, including the directors' report, corporate governance statement and remuneration report.

14. Approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend.
15. Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
16. Approval of significant changes in the company's accounting policies or practices which the auditors have advised would be a material change.

Internal Controls and Risk Management

17. Setting risk management and internal control policies for the Group.
18. Ensuring the maintenance of a sound system of internal control and risk management including receiving reports on and reviewing the effectiveness of, the company's risk, and control processes.
19. Carrying out an assessment, at least annually, of significant risks and effectiveness of risk management and internal control policies; and reporting to shareholders on such matters.
20. Prosecution, defence or settlement of litigation, arbitration or other proceedings involving more than £1m or being otherwise material to the interests of the Group.

Contracts

21. Major capital projects.
22. Contracts which are material strategically or by reason of size, entered into by the company, or any subsidiary, either within or outwith the ordinary course of business which:
 - (a) involve the payment to or by the Company or subsidiary of a single sum valued at £1m or more; or
 - (b) over a period of 5 years or more involve a series of payments to or by the Company or a subsidiary valued at £5m or more.
23. Proposed major investments in excess of £1m.

Corporate Activity

24. Any take-over offer for another company which is subject to The City Code on Take-overs and mergers and the response to any approach regarding take-over offer for the Company.
25. Acquisitions/disposals of private companies or businesses not within The City Code on Take-overs and Mergers, but involving a consideration of over £5m.

Communication

26. Approval of all prospectus, circulars or recommendations to shareholders and listing particulars (except routine documents such as periodic circulars re dividend re-investment plans, scrip dividend procedures or exercise of conversion rights).
27. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
28. Approval of press releases concerning matters decided by the Board.

Board membership and other appointments

29. Changes to the structure, size and composition of the board, following recommendations from the Nomination committee.
30. Succession planning for the Board and senior management.
31. Selection of the Chairman, Senior Independent Director and Chief Executive and their respective terms of reference.
32. Establishing committees of the Board, their terms of reference and, where appropriate, ratifying their decisions.
33. Appointment or removal of the Company Secretary.
34. Appointment, reappointment or removal, together with the remuneration of the external auditor, following the recommendation of the Audit committee.

Remuneration

35. Determining the remuneration policy for directors and certain senior executives, setting the individual remuneration of each director and monitoring arrangements for the relevant senior executives.
36. The introduction of any share and long term incentive plans or major changes to existing plans.
37. The funding and governance of and any significant changes to the Company's pension Schemes.

Corporate Governance matters

38. Conducting a formal and rigorous annual evaluation of its own performance, that of its committees, the Chairman, the Chief Executive and, in consultation with the Chief Executive, other executive directors.
39. Determining the independence of directors.
40. Considering the balance of interests between shareholders, employees, customers and the community.
41. Receiving reports on the views of the company's shareholders.
42. Approval of core policies, including:-
 - Business Ethics
 - Equal Opportunities
 - Health & Safety
 - Whistleblowing
 - Grievance
 - Respect & Dignity at Work

Other

43. Approval of any proposed political donations.
44. Approval of the Company's principal professional advisers.

45. The level of Directors & Officers liability insurance.
46. Formulation of policy regarding charitable donations.
47. Granting of any Parent Company Guarantee.
48. This Schedule of Matters reserved for the Board.