

stv group plc

Nomination Committee Terms of Reference Adopted by the Board on 11 December 2008

1. Membership

- 1.1. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or another non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.2. Members of the Committee shall be appointed by the Board and shall be made up of at least 2 members, the majority of whom should be independent non-executive directors.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other directors and individuals such as the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.4. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2. Meetings may be by telephone and by video-conferencing.

4. Frequency of Meetings

- 4.1. The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

7. Annual General Meeting

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

- 8.1. The Committee shall:
 - 8.1.1. regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
 - 8.1.2. give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future;
 - 8.1.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
 - 8.1.4. before making an appointment, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.
 - 8.1.5. ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings. The letter shall also advise of the basic principle that non-executive directors are expected hold shares in the Company and accordingly should aim to buy shares shortly after taking up their appointment. Any purchase of shares will be subject to prior clearance from the Chairman of the Board.
- 8.2. The Committee shall also make recommendations to the Board concerning:

- 8.2.1. plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
- 8.2.2. suitable candidates for the role of senior independent director;
- 8.2.3. membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 8.2.4. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 8.2.5. the continuation (or not) in service of any director who has reached the age of 70;
- 8.2.6. the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 8.2.7. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and
- 8.2.8. the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

9. Reporting Responsibilities

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall make a statement in the annual report about its activities and the process used to make appointments.

10. Other

- 10.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.2. Duties in respect of removals
 - 10.2.1. The Committee shall be the initial point of reference for any director who has concerns about the performance, acts or omissions of another director.

- 10.2.2. Any member of the Committee who received from a member of the Board, a formal expression of such concern shall, as soon as practicable, convene a meeting of the Committee to discuss the matter. If the director whose performance, acts or omissions are under review is a member of the Committee, he shall not be invited to join the meeting.
- 10.2.3. The Committee shall make further enquiries as it considers necessary to gain a full understanding of the situation and in addition may take legal advice at the Company's expense.
- 10.2.4. As soon as practicable, the Committee shall convene a meeting of and report fully to the Board (excluding the director under review) and make such recommendations to the Board as the Committee thinks fit.
- 10.2.5. All recommendations of the Committee in respect of the director being reviewed, shall only take effect when approved by resolution of the Board.
- 10.2.6. In making such recommendations, the Committee will take into account the provisions of the Companies Acts, the Articles of Association of the Company and the corporate governance implications of such recommendations

11. Authority

- 11.1. The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 11.2. The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.