



16 April 2020

Dear Shareholder

**ANNUAL REPORT & ACCOUNTS 2019 AND ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING**

This letter notifies shareholders that STV Group Plc's Annual Report and Accounts (the 'ARA') for the year ended 31 December 2019 and Notice of the 2020 Annual General Meeting (the 'AGM') have now been published and are available to view on STV's website at [www.stvplc.tv/investors](http://www.stvplc.tv/investors).

It should be noted that STV's 2019 ARA was approved by the Board on 9 March 2020, together with the 2019 Full Year Results Statement, and before the early impact of COVID-19 was known. The outlook narrative and 2020 implementation of the Remuneration Policy do not take account of the significantly different market conditions faced by all UK businesses following implementation of strict social distancing measures by the UK and Scottish Governments.

STV's main priority remains to protect our people and we will continue to follow all Government advice. We have implemented contingency plans to ensure that we remain able to offer a high quality schedule of new drama, entertainment and factual programmes over the coming months, and in particular protect our ability to sustain our public service news output which provides the most popular local news service in Scotland, and is of critical and increasing importance to our viewers in these uncertain times.

We continue to monitor closely the rapidly evolving situation with COVID-19 and on 26 March issued a trading update covering a number of areas of the business and the steps being taken to ensure STV remains financially resilient and can continue to execute its successful growth strategy in the future.

The update confirmed that STV has good ongoing access to liquidity through its £60m overdraft and revolving credit facility, and detailed a number of measures being taken that demonstrate our ongoing focus on cash generation and cost management, to ensure maximum flexibility is retained in the business.

One such measure confirmed was that our Board is no longer recommending a final dividend of 14.7p per share (financial year ended 31 December 2019) and is therefore withdrawing the resolution in advance of the AGM. We recognise how important the dividend is to our shareholders and the Board will revisit the position for future dividends once there is greater clarity on the impact of COVID-19 on the business.

It is also confirmed that in order to ensure maximum financial flexibility, the Management Board has volunteered not to take payment at this time of their performance bonuses earned as a result of the strong financial performance achieved in 2019. Furthermore, the Management Board and the Board of Directors have both volunteered to take a reduction of 25% in their base salary and fees respectively, effective from 1 April 2020 until the end of the Government's lockdown restrictions. The Remuneration Committee will revisit and exercise its discretion with respect to the Management Board performance bonuses for 2019 once there is greater clarity on the impact of COVID-19 on the business.

The ARA indicated that the AGM would take place on 21 April 2020 but given current uncertainty around the timing and extent of the future spread of COVID-19 and the ability of the Company to hold its AGM in accordance with current Government guidance, the Board made the decision to delay the AGM.

The AGM will now be held on **Thursday 28 May 2020 at 11am** in STV's registered office (Pacific Quay, Glasgow G51 1PQ). We are required by law to hold an AGM and are working on the basis that social distancing arrangements will still be in place when our AGM is held. Accordingly, we are implementing contingency arrangements which mean that the meeting will not follow the same format as in previous years but will still meet the minimum legal requirements for an AGM.

On the basis of the Government's clear advice that all non essential travel and social contact should be avoided, the Board reluctantly advises shareholders against attending the AGM in person this year and if any shareholder does attempt to gain entry to the meeting in person, they will be denied access based on the prevailing circumstances. The health and wellbeing of our shareholders, employees, advisers and of the general public is of utmost importance to the Board and the Company is committed to minimising the unnecessary movement of people at this time.

Online proxy voting is recommended so please send us your vote by completing and submitting your form of proxy online through the website of our registrar, Link Asset Services, at [www.signalshares.com](http://www.signalshares.com), to be received no later than 48 hours prior to the time set for the meeting.

To vote online you will need to log in to your Signal Shares Shareholder Portal account or register for Signal Shares if you have not already done so. To register for Signal Shares you will need your investor code which can be found on your share certificate or by contacting Link Asset Services. Once registered, you will immediately be able to vote.

If you are unable to locate any of the documents on the Company's website, need help with voting online or require a paper proxy form sent to you, please contact Link by email at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or by calling 0871 664 0300\* from the United Kingdom or +44 371 664 0300\* from outside of the United Kingdom.

The AGM will comprise only the formal part of the meeting and there will be no presentation from the CEO. Only two directors will attend the AGM and although the meeting will not be streamed, a transcript will be available on the corporate website shortly afterwards. The Board is also inviting shareholders to submit questions by email for the Board to consider at [2020AGM@stv.tv](mailto:2020AGM@stv.tv). Requests should be submitted by 6pm on Monday 25 May 2020 and responses will be provided by directors following the conclusion of the AGM.

We will keep shareholders updated of any future changes on our website [www.stvplc.tv/investors](http://www.stvplc.tv/investors).

I would ask for your understanding at this unusual time and hope you can appreciate that these changes are being made in the best interests of our shareholders, employees and advisors.

Yours sincerely,



**Baroness Margaret Ford OBE**  
Chairman

\* Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00-17:30, Monday to Friday excluding public holidays in England and Wales.