

## **STV Group plc**

### **Schedule of Matters Reserved for the Board**

**Adopted by the Board on 20 August 2021**

#### **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.

#### **1. Strategy and Management**

- 1.1 Responsibility for the overall leadership of the Group, including its vision, values, culture, and governance framework, and for ensuring competent and prudent management.
- 1.2 Approval of the long-term strategy, business plan, risk appetite and objectives with a focus on promoting the long-term sustainable success of the business, including extension of the Group's activities into adjacent markets, the cessation of a material part of the business, or withdrawal from existing strategic activities or initiatives.
- 1.3 Approval of the annual operating and capital expenditure budgets, and the Three-Year Plan, and any material changes to them. Review actual performance against budget/plan and track key performance indicators, ensuring that any corrective action is taken as necessary.
- 1.4 Approval of the Group's Sustainability Policy and related targets, reviewing progress towards achievement of goals.
- 1.5 Approval of the Group's Diversity & Inclusion Policy and related targets, reviewing progress towards achievement of goals.

#### **2. Structure, Capital, Contracts and Transactions**

- 2.1 Approval of changes 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).
- 2.2 Approval of major changes to the Group's corporate structure.
- 2.3 Approval of any changes to the Company's listing or its status as a publicly listed company.
- 2.4 Approval of any commitment or arrangement, including contracts or leases, (or series of related activities) that could involve either (i) the payment or receipt by the Group of in excess of £1.5m in aggregate value (whether in cash or otherwise); or (ii) a series of payments to or by the Group over a period of 5 years or longer totalling £5m or more in aggregate value.
- 2.5 Approval of any takeover offer for another company which is subject to The City Code on Takeovers and Mergers and the response to any approach regarding a takeover offer for the Company.

- 2.6 Acquisitions/disposals of private companies or businesses not within The City Code on Takeovers and Mergers but involving a consideration of over £5m.
- 2.7 Approval of major changes to the Group's management and control structure.
- 2.8 Approval of any significant variation in terms (other than arising from changes in bank base rates) of the borrowing facilities available to the Group.
- 2.9 Approval of major capital projects with a total capital outlay of more than £1.5 million.

### **3. Financial Reporting and Controls**

- 3.1 Approval of the Company's annual report and accounts (including the directors' report, corporate governance statement, directors' remuneration report and financial statements), interim results statement, and any preliminary announcements of the final results. Subsequent approval of final announcements and reports may be delegated as appropriate to a sub-committee of the Board.
- 3.2 Approval of treasury policies including foreign currency and interest rate exposure, and the use of financial derivatives.
- 3.3 Approval of any significant changes in accounting policies or practices on the recommendation of the Audit & Risk Committee.
- 3.4 Approval of any change to the Company's accounting reference date.

### **4. Dividends**

- 4.1 Approval of the dividend policy and practices.
- 4.2 Approval of the interim dividend and recommendation of the final dividend.

### **5. Internal Controls and Risk Management**

- 5.1 Approval of the Group's risk management strategy and internal control policies, considering the receipt of reports and any recommendations from the Audit & Risk Committee.
- 5.2 Monitor risk management across the Group and be responsible for determining the Group's risk appetite i.e. the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.
- 5.3 Review the effectiveness of the Group's risk management processes (at least annually) and seek such assurance as it may deem appropriate that the risk management process is appropriately embedded into the business and effectively operated.
- 5.4 Ensure that a robust assessment of the emerging and principal risks facing the Company has been undertaken. Furthermore, ensure that procedures are in place to identify principal and emerging risks on a timely basis and provide advice on the management and mitigation of those risks.
- 5.5 Periodically review the effectiveness of the risk management framework and undertake in-depth reviews of high risk business areas or processes to understand key drivers, mitigation activity and further management activity. This will include execution of a programme of divisional deep dives, to include:

- Receiving reports on the principal risks for each division, including key drivers, mitigating activity and further management activity; and
  - Carrying out an assessment (at least annually) of emerging and principal risks and the effectiveness of risk management and internal control systems.
- 5.6 Report to shareholders on internal controls and risk management; approve an appropriate statement for inclusion in the annual report, on the recommendation of the Audit & Risk Committee.

## **6. Communication**

- 6.1 Approval of all prospectuses, circulars and listing particulars, and convening general meetings of the Company.
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 Approval of announcements concerning matters decided by the Board.

## **7. Board membership and other appointments**

- 7.1 On the recommendation of the Nomination Committee, approval of:
  - changes to the structure, size, composition and membership of the Board or its Committees
  - the appointment or removal of any Director of the Company
  - the continuation in office of Directors of the Company as appropriate and the recommendation to shareholders of their election or re-election
- 7.2 Membership and Chairmanship of Board committees.
- 7.3 Appointment or removal of the Company Secretary.
- 7.4 Selection of the Chairman of the Board and the Chief Executive.
- 7.5 Appointment of the Senior Independent Director.
- 7.6 Ensure adequate succession planning for the Board and senior management based on merit and objective criteria and, within this context, promote diversity in its widest form so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
- 7.7 Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit & Risk Committee.
- 7.8 The procedure for the authorisation of directors' conflict matters falling within section 175 of the Companies Act 2006 and any changes to those procedures.
- 7.9 The authorisation of any conflict matter arising for any director of the Company under section 175 of the Companies Act 2006 and the terms and conditions attaching to such authorisation.
- 7.10 Approval of directors' external appointments.

- 7.11 Be consulted regarding appointment or removal of the Company's principal advisers, except for the external auditor which is dealt with separately in this schedule.

## **8. Remuneration and Related Matters**

- 8.1 On the recommendation of the Remuneration Committee, approve (and submit to shareholders for approval) the Directors' Remuneration Policy, and apply the policy to set the remuneration for each director.
- 8.2 Approval of the remuneration of the Non-Executive Directors of the Company, subject to the Articles of Association and shareholder approval as appropriate.
- 8.3 Approval of any new share or long-term incentive plans or major changes to existing plans, submitting to shareholders for approval if necessary.
- 8.4 Oversee the funding and governance of and any significant changes to the Company's pension schemes.

## **9. Corporate Governance and Policies**

- 9.1 Undertake a formal and rigorous annual evaluation of the Board's own performance, that of its Committees and individual directors, including an externally facilitated review every three years.
- 9.2 Determine the independence of non-executive directors, considering their character, judgement and relationships.
- 9.3 Division of responsibilities between the Chairman and the Chief Executive.
- 9.4 Receive reports from Board Committees on their activities.
- 9.5 Approval of the Terms of Reference of the Board Committees; Committees review and recommend changes to the Board.
- 9.6 Consider the balance of interests between shareholders, colleagues and other stakeholders, including suppliers, customers the community, regulators and the Government.
- 9.7 Approve related party transactions as required under regulation.
- 9.8 Receiving reports on the views of the company's shareholders.
- 9.9 Approval of core policies, including:-
  - Business Ethics
  - Equal Opportunities
  - Health & Safety
  - Whistleblowing
  - Grievance
  - Respect & Dignity at Work
  - Equality, Diversity and Inclusion

## **10. Other Matters**

- 10.1 Approval of:
- any proposed political donations (noting the policy is not to make political donations)
  - the formulation of policy regarding charitable donations
  - the granting of any Parent Company Guarantee
  - changes to this Schedule of Matters Reserved for the Board
  - prosecution, defence or settlement of any litigation, arbitration or dispute resolution proceedings in excess of £1m or being otherwise material to the interests of the Group
- 10.2 Oversee major public policy, regulatory and compliance issues including matters which would have a significant impact on the Group's reputation.
- 10.3 Oversee any dispute in relation to the Group's broadcast license arrangements or contractual arrangements with ITV, which might impact the Company's ability to continue to operate, or the costs associated with doing so.