

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, before taking any action, you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the UK or another appropriately authorised independent financial adviser who specialises in advising in connection with dealing in shares and other securities if you are in a territory outside the UK.

If you have sold or transferred all of your Ordinary Shares please send this document immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of relevant laws. If you have sold or transferred part only of your holding of Ordinary Shares, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

The Ordinary Shares are admitted to listing on the premium segment of the Official List. Applications will be made (i) to the Financial Conduct Authority (“FCA”) for admission of the Bonus Shares to the premium listing segment of the Official List; and (ii) to London Stock Exchange plc for admission of the Bonus Shares to trading on its main market for listed securities (together “Admission”). It is expected that Admission will become effective and that dealings in the Bonus Shares will commence at 8am on 18 December 2020. The Bonus Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

STV Group Plc

(Incorporated under the Companies Act 1985 and registered in Scotland with registered number SC203873)

Issue of Bonus Shares and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 9 of this document and which contains the Board’s recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of the General Meeting of STV Group Plc to be held virtually in accordance with the provisions of the Corporate Insolvency and Governance Act 2020 at 12:30pm on 3 December 2020 is set out at the end of this document.

In view of the UK and Scottish Governments placing restrictions on travel and introducing the Stay at Home Measures, shareholders will not be permitted to attend the General Meeting in person.

You will not receive a hard copy Form of Proxy for the General Meeting in the post. Instead, you are requested to complete the Form of Proxy electronically using www.signalshares.com, in accordance with the procedures set out below by no later than 12:30pm on 1 December 2020. You may request a hard copy proxy form directly from the registrars, **Link Group, 34 Beckenham Road, Beckenham, BR3 4TU (telephone number: +44 (0)371 664 0321).**

A copy of this document is available at the Company’s website www.stvplc.tv

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors

Baroness Margaret Ford OBE (Chairman)
Simon Pitts (Chief Executive Officer)
Lindsay Dixon (Chief Financial Officer)
Simon Miller (Senior Independent Director)
Anne Marie Cannon (Non-Executive Director)
Ian Steele (Non-Executive Director)
David Bergg (Non-Executive Director)

Registered Office

Pacific Quay, Glasgow, G51 1PQ

Company website

<http://www.stvplc.tv>

Company Secretary

Jane E A Tames

Joint Corporate Brokers

Peel Hunt LLP
Moor House
120 London Wall
London EC2Y 5ET

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Solicitors to the Company

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2HS

Registrars

Link Group
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

DETAILS OF THE BONUS ISSUE

As set out in the Company's announcement made on 1 September 2020, STV today confirms that rather than pay the interim dividend in cash, it will issue new Ordinary Shares by way of a bonus issue to shareholders, equating to 3.0p per share (the "**Bonus Issue**"). In accordance with the Company's Articles of Association, the Bonus Issue is conditional on shareholder approval being obtained at a general meeting to be held virtually in accordance with the provisions of the Corporate Insolvency and Governance Act 2020 on 3 December 2020 at 12:30 pm (or any adjournment thereof) (the "**General Meeting**").

The Bonus Shares will be issued to shareholders who appear on the Company's register of members as at 6pm on 11 December 2020 (the "**Bonus Issue Record Time**") and Bonus Issue entitlements will be calculated using the formula outlined below.

The dates and times given in the table below in connection with the Bonus Issue are indicative only and are based on the Company's current expectations and are subject to change. If any dates and/or times in this expected timetable change, the revised dates and/or times will be notified to shareholders by announcement through a Regulatory Information Service.

The number of Bonus Shares (if any) to which each shareholder on STV's register of members as at the Bonus Issue Record Time is entitled, shall be calculated using the following formula:

- a) the number of Ordinary Shares held at the Bonus Issue Record Time multiplied by 3.0 pence; divided by
- b) the average of the mid-market closing price (in pence) of an STV share on the Daily Official List of the London Stock Exchange for the five consecutive dealing days commencing from and including 3 December 2020.

No fraction of a Bonus Share will be issued and any fractional entitlements will be aggregated and the Company will procure that the maximum whole number of Bonus Shares resulting therefrom will be allotted and sold in the market and the net proceeds of sale will be donated by the Company to the STV Children's Appeal charity.

In the event that the terms of the Bonus Issue would result in the Company issuing more than 783,800 Bonus Shares the Company will reduce each shareholder's entitlement to Bonus Shares pro rata such that the aggregate number of Bonus Shares issued shall not exceed 783,800.

Shareholders are being asked to authorise the Directors to proceed with the Bonus Issue and to capitalise up to £1,500,000 standing to the credit of STV's distributable profits for the purposes of applying such amounts in paying up in full the Bonus Shares.

The Bonus Shares will be fully paid up and rank pari passu in all respects with the Existing Ordinary Shares and will have the rights, and be subject to the restrictions, provided for in STV's Articles of Association.

Shareholders are advised to consult their tax advisers on their tax position in respect of any Bonus Shares.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS:

Publication of Circular (including the Notice of General Meeting) and the Form of Proxy.....	13 November 2020
Latest time and date for receipt of the Form of Proxy (or appointing a proxy electronically or submitting a proxy via CREST) for the General Meeting.....	12:30pm on 1 December 2020
Voting Record Time.....	12:30pm on 1 December 2020
General Meeting.....	12:30pm on 3 December 2020
Bonus Issue Ex- date.....	8am on 10 December 2020
Bonus Issue Record Time.....	6pm on 11 December 2020
Admission and commencement of dealings in the Bonus Shares	8am on 18 December 2020
CREST accounts of shareholders holding in uncertificated form credited with the Bonus Shares	on or soon after 8am on 18 December 2020
Despatch of share certificates for the Bonus Shares to shareholders holding in certificated form	within 5 Business Days of Admission

The timetable assumes that the General Meeting will not be adjourned as a result of there being no quorum, or for any other reason. If there is an adjournment, all subsequent dates are likely to be later than those shown. Any changes will be notified to shareholders by an announcement on the Regulatory News Service of the London Stock Exchange.

All references to time in this document are to London time.

DEFINITIONS

The following definitions and technical terms apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended);
“Admission”	admission of the Bonus Shares to listing on the premium listing segment of the official list of the FCA in accordance with the UK Listing Rules and to trading on the Main Market becoming effective in accordance with the UK Admission and Disclosure Standards;
“Articles of Association”	means the Company’s articles of association, as currently adopted;
“Bonus Issue”	the capitalisation of up to £1,500,000 standing to the credit of the Company’s distributable profits and applying such amount in paying up in full and issuing the Bonus Shares;
“Bonus Issue Record Time”	6pm on 11 December 2020;
“Bonus Shares”	the new Ordinary Shares to be issued pursuant to the Bonus Issue;
“certificated form”	an Ordinary Share recorded on a company’s share register as being held in certificated form (namely, not in CREST);
“Company” or “STV”	STV Group Plc, a company incorporated and registered in Scotland under the Companies Act 1985 with registered number SC203873;
“CREST”	the relevant system (as defined in the Crest Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755);
“Directors” or “Board”	the directors of the Company whose names are set out on page 3 of this document, or any duly authorised committee thereof;
“Euroclear”	Euroclear UK & Ireland, the operator of CREST;
“Existing Ordinary Shares”	the 46,242,802 Ordinary Shares in issue at the date of this document;
“FCA”	the UK Financial Conduct Authority;
“Form of Proxy”	the Form of Proxy available on www.signalshares.com ;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of the Company to be held at 12:30pm on 3 December 2020 or any adjournment thereof;
“Group”	the Company and its subsidiaries and subsidiary undertakings;
“London Stock Exchange”	London Stock Exchange plc;
“Main Market”	the Main Market, being a market of that name and operated by the London Stock Exchange;
“Notice”	the notice convening the General Meeting set out at the end of this document;
“Ordinary Shares”	ordinary shares of 50 pence each in the capital of the Company;
“Resolution”	the resolution set out in the Notice;
“UK”	the United Kingdom of Great Britain and Northern Ireland;

“Stay at Home Measures”

the measures passed into law in England and Wales, with immediate effect, in statutory instruments (2020/350 in England and 2020/353 in Wales, as amended) made pursuant to the Public Health (Control of Disease) Act 1984; and

“uncertificated”

an Ordinary Share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.

LETTER FROM THE CHAIRMAN

STV GROUP PLC

(Incorporated under the Companies Act 1985 and registered in Scotland with registered number SC203873)

Directors:

Baroness Margaret Ford OBE (Chairman)
Simon Pitts (Chief Executive Officer)
Lindsay Dixon (Chief Financial Officer)
Simon Miller (Senior Independent Director)
Anne Marie Cannon (Non-Executive Director)
Ian Steele (Non-Executive Director)
David Bergg (Non-Executive Director)

Registered Office:

Pacific Quay, Glasgow, G51 1PQ

Dear Shareholder

13 November 2020

Bonus Issue

and

Notice of General Meeting

1. General Meeting

A notice convening a General Meeting to be held virtually at 12:30pm on 3 December 2020 is set out at the end of this document. At the General Meeting, an ordinary resolution will be proposed to authorise the Directors to distribute 3.0p per share by way of a bonus issue of new Ordinary Shares instead of paying an interim dividend for the period to 30 June 2020.

2. Background to and reasons for the Bonus Issue

On 26 March 2020, the Company announced that it was not proceeding with a final 2019 dividend as part of its measures to protect balance sheet strength and liquidity during the COVID-19 pandemic. On 17 June 2020 shareholders were advised that while the current focus on cash conservation in the Company persisted as the full effects of Covid-19 remained uncertain, future dividends would be temporarily replaced by the issuance of new ordinary shares by way of a bonus issue to shareholders, with any bonus issue for an interim 2020 dividend not to exceed 783,800 new ordinary shares. The Board reiterated its intention is to reintroduce cash dividend payments as soon as market conditions allowed.

Consequently and as announced in the interim results for the six months ended 30 June 2020, the Board is proposing to issue new ordinary shares by way of a bonus issue to shareholders, in lieu of a cash dividend, equating to 3.0p per share and subject to shareholder approval at the General Meeting.

Applications will be made to the FCA and to the London Stock Exchange for Admission of the Bonus Shares. It is currently expected that Admission of the Bonus Shares will become effective at 8am on 18 December 2020.

Following Admission, the Bonus Shares will be issued as fully paid and will rank pari passu in all respects with the Existing Ordinary Shares in issue at the time the Bonus Shares are issued, including the right to receive and retain in full all dividends or other distributions made, paid or declared in respect of the Shares by reference to a record date falling after the date of issue of the Bonus Shares. The Bonus Shares will be capable of being held in certificated and uncertificated form.

Subject to approval of the Resolution at the General Meeting, the Board currently intends to exercise the authority conferred on it pursuant to the Resolution to issue and allot shares pursuant to section 551 of the Act, in order to issue and allot the Bonus Shares on the basis summarised above.

3. Impact of COVID-19 on the General Meeting

The evolving COVID-19 situation and the related UK and Scottish Government restrictions will clearly impact the ability of shareholders to attend the General Meeting in person. In normal circumstances, the Board greatly values the opportunity to meet shareholders in person. However, it fully supports the Stay at Home Measures, and takes seriously the Company's responsibility to slow the spread of COVID-19.

Therefore, in view of the Stay at Home Measures, **the Board has concluded that shareholders will not be permitted to attend the General Meeting in person** and that the meeting will take place virtually as a closed meeting in accordance with the provisions of the

Corporate Insolvency and Governance Act 2020 which shareholders will not be able to attend. To do so would be inconsistent with current Government guidance in relation to COVID-19 and the Stay at Home Measures. STV's advisers and other guests have also been asked not to attend.

Instead of attending the General Meeting, shareholders are please asked to exercise their votes by submitting their proxy electronically using www.signalshares.com, in accordance with the procedures set out in the notes to the Notice of the General Meeting.

Shareholders should appoint the Chairman of the meeting as their proxy. As a result of the Stay at Home Measures, if a shareholder appoints someone else as its proxy, that proxy will not be able to attend the meeting in order to cast the shareholder's vote.

The General Meeting will be purely functional in format to comply with the relevant legal requirements. There will be no presentations.

In addition, should a shareholder have a question that they wish to raise regarding the Bonus Issue, we ask that they send it by email to Jane.Tames@stv.tv, to be received no later than 6pm on 2 December 2020. We will endeavour to answer questions received in advance of the General Meeting, via return of email and by publishing responses on our website.

4. Action to be taken

You will not receive a hard copy Form of Proxy for the General Meeting in the post. Instead, you are requested to complete the Form of Proxy electronically using www.signalshares.com, in accordance with the procedures set out below. The Form of Proxy should be completed and submitted electronically by no later than 12:30pm on 1 December 2020.

You may request a hard copy proxy form directly from the registrars, Link Group, 34 Beckenham Road, Beckenham, BR3 4TU (telephone number: +44 (0)371 664 0321). The return of the Form of Proxy will be required to vote at the General Meeting.

5. Recommendation

Your Directors believe that the Resolution to be considered at the General Meeting is in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of the Resolution, as those Directors intend to do in respect of their beneficial shareholdings in the issued share capital of the Company.

The Board would like to remind you to monitor the Company website for any further updates in relation to the arrangements for the General Meeting, as we are closely monitoring all developments and the UK Government's guidance relating to COVID-19. The Board would also like to take this opportunity to thank all shareholders for their continued support and understanding in these exceptional circumstances. We will return to full shareholder engagement as soon as we can.

Yours faithfully

Baroness Margaret Ford OBE
Chairman

STV GROUP PLC

(Incorporated under the Companies Act 1985 and registered in Scotland with registered number SC203873)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that the General Meeting of STV Group Plc (the “**Company**”) will be held virtually in accordance with the provisions of the Corporate Insolvency and Governance Act 2020 at 12:30pm on 3 December 2020 for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

Ordinary Resolution

THAT, the Directors be authorised pursuant to Article 146 of the Company’s Articles of Association to capitalise undistributed profits of the Company in an amount of up to £1,500,000 for the purposes of paying up in full the issuance of new ordinary shares in the company by way of a bonus issue of new Ordinary Shares, as more particularly described in the circular issued by the Company on 13 November 2020, of which this notice forms part.

Dated: 13 November 2020

By order of the Board

Baroness Margaret Ford OBE
Chairman

Registered office:

Pacific Quay, Glasgow, G51 1PQ

NOTES TO THE RESOLUTION:

It is proposed, subject to Shareholder approval, that shareholders will receive new Ordinary shares of 50 pence each (the “**Bonus Shares**”) by way of a bonus issue, with a value of 3.0p (the “**Bonus Issue**”) per Existing Ordinary Share held by Shareholders on STV’s register of members as at 6pm on 11 December 2020 (the “**Bonus Issue Record Time**”), being the last date on which transfers will be accepted for registration to participate in the Bonus Issue. The Bonus Shares will be issued on 18 December 2020 with the number of Bonus Shares (if any) to which each Shareholder on STV’s register of members as at the Bonus Issue Record Time is entitled calculated using the following formula:

- a) the number of Ordinary shares held at the Bonus Issue Record Time multiplied by 3.0 pence; divided by
- b) the average of the mid-market closing price (in pence) of STV’s Ordinary Shares on the Daily Official List of the London Stock Exchange for the five consecutive dealing days commencing from and including 3 December 2020.

No fraction of a Bonus Share will be issued and any fractional entitlements will be aggregated and the Company will procure that the maximum whole number of Bonus Shares resulting therefrom will be allotted and sold in the market and the net proceeds of sale will be donated by the Company to the STV Children’s Appeal charity.

Shareholders are being asked to authorise the Directors to proceed with the Bonus Issue and to capitalise up to £1,500,000 standing to the credit of STV’s distributable profits for the purposes of applying such amounts in paying up in full the Bonus Shares. The Bonus Shares will be fully paid up and rank *pari passu* in all respects with the existing Ordinary Shares of STV and will have the rights, and be subject to the restrictions, provided for in STV’s Articles of Association. Shareholders are advised to consult their tax advisers on their tax position in respect of any Bonus Shares.

Expected Timetable of Events

1. Latest time for return of proxies for General Meeting	12:30pm on 1 December 2020
2. General Meeting	12:30pm on 3 December 2020
3. Ex-dividend date for the Bonus Shares	8am on 10 December 2020
4. Bonus Issue Record Time (and the last date on which transfers will be accepted for registration to participate in the Bonus Issue)	6pm on 11 December 2020
5. Admission to trading of the Bonus Shares on the London Stock Exchange	8am on 18 December 2020
6. CREST/uncertificated accounts credited with Bonus Shares	On or soon after 8am on 18 December 2020
7. Despatch of share certificates for the Bonus Shares to Shareholders holding in certificated form	Within 5 Business Days of Admission

NOTES TO THE NOTICE:

The following notes explain your general rights as a shareholder and your right to vote at this Meeting or to appoint someone else to vote on your behalf.

1. In light of the COVID-19 outbreak and consequent Stay at Home Measures, ***shareholders will not be able to attend the General Meeting in person.*** Instead, shareholders should appoint a proxy in accordance with the procedure set out below.
2. Shareholders should appoint the Chairman of the meeting as their proxy who must exercise all or any of their rights to attend and vote on a poll on their behalf at the meeting and at any adjournment of it. Your proxy must vote as you instruct. Please indicate the proxy holder’s name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). If a shareholder appoints someone who is not the Chairman as their proxy, that proxy will not be able to attend the meeting in person in order to cast the shareholder’s vote.
3. You can vote either:
 - by logging on to www.signalshares.com and following the instructions;
 - by requesting a hard copy Form of Proxy directly from the registrars, Link Group (previously called Capita), If you have any questions please call Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes;
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a Form of Proxy must be completed. In each case the Form of Proxy must be received by 12:30pm on 1 December 2020.

4. If a shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions.
5. In the case of joint holders, the signature of only one of the joint holders is required but, if more than one votes, the vote of the first named on the register of members will be accepted to the exclusion of other joint holders.
6. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on the resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his/her discretion. If it is returned without an indication as to how your proxy shall vote on any particular matter, your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put before the General Meeting.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Company's register of members at 6pm on 1 December 2020 (or, in the event of any adjournment, at close of business on the date which is two days before the time of the adjourned meeting) shall be entitled to vote at the General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend electronically and vote at the meeting.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10 by 12:30pm on 1 December 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Voting on all of the substantive resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held.
13. As at 12 November 2020 (being the latest practicable date before publication of this document), the issued share capital of the Company comprised 46,242,802 Ordinary Shares of 50 pence each and the total number of voting rights was 46,242,802. There are no shares held by the Company in treasury.
14. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

15. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.stvplc.tv.