

Andrew Ninian
Director, Stewardship and Corporate Governance
The Investment Association
Camomile Court
23 Camomile Street
London EC3A 7LL

3 May 2018

Dear Andrew,

Investment Association's Public Register

Thank you for your letter of 2 May sent under cover of your email to Jane Tames, Company Secretary.

STV held its AGM on Thursday 26 April 2018 at which 15 resolutions were put before shareholders, one of which received 75.34% of the votes cast.

The resolution was to approve the allotment of shares on a non pre-emptive basis of an additional 5% of the issued share capital to be used for the purposes of acquisition funding. This is an entirely standard resolution, as confirmed by our lawyers, but a recommendation to vote against this was made by PIRC on the basis that best practice would be to seek a specific authority from shareholders in relation to a specific transaction if such situation arose.

STV's response to PIRC's draft report noted that the resolution reflected the updated Statement of Principles issued by the Pre-Emption Group in March 2015 and that the Company considered it expedient to ask shareholders for this approval now rather than wait until such a situation arose.

It is worth noting that ISS recommended a vote in favour of this resolution and that IVIS had no concerns with it. None of our shareholders have ever raised an issue with this either.

75.63% of the issued share capital was voted on at the AGM with Resolution 13 receiving 75.34% votes in favour and 24.66% against – 1,648 votes were withheld. The AGM results announcement can be found here: <http://www.stvplc.tv/blog/2018/04/result-of-agm-24-04-2018>

STV appreciates that some shareholders generally oppose share issuances without pre-emptive rights above 5% and therefore this vote against is not specific to STV. However, the Company will reconsider whether to put this resolution before shareholders at the next AGM. The Board has no further comment to make and does not propose any further action.

Yours sincerely,



Baroness Margaret Ford
Chairman, STV Group plc