



Board Performance Programme

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ITV plc

Board Performance Programme

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Section 1 - Induction

ITV plc INDUCTION POLICY

Introduction

On joining the board, every newly appointed director (executive or non-executive) will be offered a comprehensive induction, tailored to the director's needs.

The company secretary has responsibility for facilitating the induction, under the direction of the Chairman.

Objective

The purpose of the induction programme is to provide the new director with sufficient information to enable him to fulfil his/her duties and to become as effective as possible, as quickly as possible, in the new role.

To achieve these objectives, the programme will focus on:

- **ITV business** - building an understanding of the nature of ITV, its business and the regulatory environments in which it operates.
- **Compliance and regulation** - providing an appreciation of the responsibilities of a director of ITV.
- **The ITV approach** - familiarisation with ITV's board practices and processes; building links with ITV's people and an understanding of the main external relationships – auditors, customers, suppliers and major shareholders.

Process

The induction programme will comprise a combination of written information, presentations and activities, including meetings and site visits.

The company secretary will keep a record of information supplied to each new director as an audit trail.

Induction material, meetings and events will be staggered as follows, to avoid overload:

- **Stage 1: Pre-appointment due diligence**
 - Meetings with all directors
 - Corporate documents (generally publicly available but may include published analysts' notes, management accounts and budgets)
 - Terms of engagement

- **Stage 2: On appointment**
 - Key corporate documents (e.g. strategic planning documents, management accounts, budgets etc not already provided)
 - Induction programme details

- **Stage 3: The first three months**
 - A series of meetings and site visits
 - Further key documentation

- **Stage 4: Other available information**
 - Possible meetings (e.g. with investors)
 - Further background information (as relevant or as requested)

Following appointment, the new director will in addition receive the same ongoing flow of information as other directors receive (e.g. regulatory updates, investor feedback).

Topics

The topics covered by the induction process are set out in a document maintained by the company secretary and cover the following areas:

- Directors' duties and liabilities and other regulatory issues (e.g. Model Code)
- Familiarisation with ITV's business
- ITV's boardroom practice and processes
- Corporate documentation (e.g. policies)

Section 2 – Continuing Professional Development

ITV plc

CONTINUING PROFESSIONAL DEVELOPMENT POLICY

Introduction

ITV plc is committed to adopting and maintaining the highest standards of corporate governance. Those standards require that directors continually update their skills and knowledge, and familiarise themselves fully with the group and its business in order to fulfil their respective roles on the board and on board committees.

Objectives

The objective of this policy is to ensure that all directors:

- maintain a high level of skill appropriate to the running of the company's business;
- are appropriately experienced; and
- have adequate levels of knowledge about the business and the environment in which it operates.

Responsibility

The company secretary will facilitate professional development as required, under the direction of the chairman. It is recognised however that individual directors are responsible for identifying their own needs and for taking steps to ensure that they are adequately informed about ITV and their responsibilities as directors.

Continuing Professional Development

The company's professional development framework will focus on the following key areas:

- **Compliance and regulation** – keeping the board briefed on legal and regulatory developments relevant to the responsibilities of a director of ITV.
- **Group operations** – ensuring that the directors are continually updated on the businesses of ITV.

- **Markets** – ensuring that the directors are continually updated on the markets and regulatory environments in which ITV operates.
- **Personal** – offering ongoing business education and skills development of the executive and non-executive directors.

The Nomination Committee is charged with identifying each year the development needs of individual directors and of the board as a whole. In 2005, the programme of development will cover the following areas, which are likely to be of interest to directors and to contribute to corporate performance:

- **Group Operations:** Ongoing familiarisation with the group's business including:
 - Presentations by business unit MDs to all new directors, strategic presentations during annual planning and budget rounds, and annual presentations before/after board meetings held at business unit sites.
 - Informal dinners with business unit MDs before/after meetings and an annual strategy conference attended by all main board directors.
- **Board Forums:** A series of short talks by experts (internal and external) held on a regular basis:
 - Topics may include: strategic planning, UK/global economic updates, institutional views and issues directly affecting the company's operations.
 - The talks to last no more than 30 minutes, plus time for discussion.
- **Information Flow:** A focussed flow of information on the following basis:
 - The provision of information will be channelled through the company secretary.
 - The format of the information (e.g. single-topic alerts or newsletters) will be prescribed, monitored and sent out separately from board papers.
 - Information provided in this way is likely to cover analysts' notes, regulatory issues, best practice or details of current events (e.g. information on competitor developments).

- **Committee Briefings:** Members of the audit, nomination and remuneration committees will receive information and presentations on matters specifically affecting the areas covered by the respective terms of reference.

- **Individual Support:** Individual directors may benefit from support in specific areas. Such support will take a variety of forms including acquiring particular technical expertise, developing personal skills, receiving mentoring support, joining a peer forum, or taking up an external non-executive position. Generally individual directors should identify their own needs and seek support on these matters via the Company Secretary.

The company secretary will keep a record of professional development undertaken by each director as an audit trail. A disclosure in relation to continuing professional development undertaken during the year will be made in the annual report and accounts.

Section 3 - Board Evaluation Programme

ITV plc BOARD PERFORMANCE EVALUATION

Introduction

The Board has established a formal process, led by the Chairman, for the annual evaluation of the performance of the Board, its Committees, and individual Directors with particular attention to those who are due for re-appointment. The Directors are made aware that their performance will be subject to an evaluation on appointment.

Process

The Company has designed a series of questionnaires, with the assistance of an independent adviser. These questionnaires provide a framework for the evaluation process, and provide the Chairman with a means of making year to year comparisons. There are five questionnaires in total, one for each of the following: the Board; the individual Director; the Remuneration Committee; the Nomination Committee; and the Audit Committee. The questionnaires include specific references to the objectives of the Board and Committees, and the goals of the individual Directors. Each board member is asked to complete each questionnaire. The adviser then collates the results from the completed questionnaires, to ensure confidentiality, and presents the consolidated results to the Chairman. Individual Director assessments are discussed by the Chairman with the relevant Directors on a one to one basis, and goals for the following year are discussed. The Board / Committee evaluations results are discussed with the Chairman at Board / Committee level, and goals are agreed for the following year.

Led by the Senior Independent Director the non-executive Directors meet annually, without the presence of the Chairman to conduct a performance evaluation of the Chairman; a similar method to that described above is employed.

A typical evaluation process would be as follows:

Planning

- Scope of review – areas to be covered, interviewees

- Format of questionnaires
- Timetable
- Format of formal report and presentation of results
- Reporting line

Data Gathering

- Desktop research – annual report disclosures, announcements
- Corporate Governance review – Combined Code issues, board processes, board papers
- Director information – CVs, roles, contracts, independence
- Delegated authorities – committee memberships, terms of reference, reserved matters

Interviews

- Company Secretary
- Advisers
- Major shareholders
- Executive and non-executive directors
- Any others considered relevant

Questionnaires/Interviews – main report and individual reports

- Analyse findings
- Feed back key issues

Conclusion

- Facilitated discussion with the board on main findings
- Action/development plan agreed to enhance performance of the board