

TERMS OF REFERENCE FOR ITV plc REMUNERATION COMMITTEE

1. Constitution

The Board has resolved to establish a Committee of the Board to be known as the Remuneration Committee.

2. Membership

- 2.1. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least 2 members, all of whom shall be independent non-executive directors or the non-executive Chairman of the Board if he was considered independent on appointment.
- 2.2. Only members of the Committee have the right to attend Committee meetings but an Executive Chairman, the Chief Executive and Chief Operating Officer may be invited to attend meetings except when matters relating to their own remuneration are to be discussed. Other individuals such as the, Human Resources director and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 2.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided the director remains independent or in the case of a non-executive Chairman was considered independent on appointment.
- 2.4. The Board shall appoint the Committee Chairman who shall be an independent non-executive director or the non-executive Chairman of the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

3. Secretary

- 3.1. The Company Secretary or their nominee shall act as the Secretary of the Committee.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

- 5.1. The Committee shall meet at least twice a year or at such other frequency as the Chairman of the Committee or any of its members shall require.

6. Notice of Meetings

- 6.1. Meetings of the Committee shall be summoned by the Secretary of the Committee.

- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, as early as practicable before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.
- 7.3. Conflicts of interest must be declared by Committee members at the beginning of meetings and the Secretary shall record any such declaration in the minutes.

8. Annual General Meeting

- 8.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

9. Duties

The Committee shall:

- 9.1. determine and agree with the Board the framework or broad policy for the remuneration of the Company's Executive Chairman, Chief Executive, Chief Operating Officer, Finance Director, other executive directors, the company secretary and any other senior executives making up the Executive Board group (the "Senior Executive Group"). The Committee shall have delegated responsibility for setting remuneration for all executive directors and the Company Secretary. In respect of the other senior executives referred to above, the Committee should monitor their remuneration. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. The remuneration of a non-executive Chairman shall be decided by the Board. The remuneration of an Executive Chairman shall be decided by the Remuneration Committee of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- 9.2. in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company;
- 9.3. review the ongoing appropriateness and relevance of the remuneration policy;
- 9.4. approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes, including for the avoidance of doubt any annual sales bonus scheme in each case in so far as they relate to members of the Senior Executive Group;
- 9.5. review the design of all share incentive plans for approval by the Board and

shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to those referred to in section 9.1 above and the performance targets to be used;

- 9.6. determine the policy for, and scope of, pension arrangements for each executive director and the Senior Executive Group;
- 9.7. ensure that contractual terms on termination recognise that failure is not rewarded and that the duty to mitigate loss is fully recognised and that any payments made, are fair to the individual, and reasonable for the company, having regard to all the circumstances;
- 9.8. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package for the Senior Executive Group including bonuses, incentive payments and share options or other share awards;
- 9.9. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the Financial Services Authority Listing Rules and associated guidance;
- 9.10. review and note annually the remuneration trends across the Company and group;
- 9.11. oversee any major changes in employee benefits structures throughout the Company and group;
- 9.12. agree the policy for authorising claims for expenses from the, Chief Executive and Chairman if they are not set by the Board;
- 9.13. ensure that all provisions regarding disclosure of remuneration including pensions, are fulfilled; and
- 9.14. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee: and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

10. Reporting Responsibilities

- 10.1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall produce an annual report of the company's remuneration policy and practices which will form part of the company's Annual Report and ensure each year that such report is put to shareholders for approval at the AGM.

11. Other

- 11.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. For the avoidance of doubt, such committee self-evaluation will form only a part of the wider formal and rigorous annual evaluation to be undertaken by the Board of its own performance and that of its committees and individual directors.
- 11.2 The Committee may undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

12. Authority

The Committee is authorised by the Board:

- 12.1 to seek any information it requires from any employee of the company in order to perform its duties; and
- 12.2 to obtain, at the Company's expense, any outside legal or other professional advice on any matters within its terms of reference.

Approved by the Board in February 2004

Amended by the Board in May 2005

Amended by the Board in April 2008