

## ITV plc (the “Company”) AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

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### 1. COMPOSITION

#### 1.1 Membership:

- Members will be appointed by the Board on the recommendation of the Nominations Committee in consultation with the Committee Chair.
- Minimum three members - all independent Non-Executive Directors.
- One of the members shall have recent and relevant financial experience, with competence in accounting and/or auditing, and the Committee as a whole should have competence relevant to the sector in which the Company operates.
- The Chair of the Board shall not be a member of the Committee.

#### 1.2 Committee Chair:

- Appointed by the Board.
- An independent Non-Executive Director.
- In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

#### 1.3 Secretary:

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

### 2. DUTIES AND RESPONSIBILITIES

#### 2.1 Financial Reporting:

The Committee shall:

##### 2.1.1 Monitor the integrity of the financial statements and financial and non-financial reporting of the Company, including:

- its Annual Report and Accounts;
- its half-yearly and preliminary results announcement including investors presentations;
- its quarterly trading updates ; and
- any other formal announcements relating to its financial performance.

This will also require the Committee to assess the effectiveness of the Group’s financial and non-financial reporting procedures.

##### 2.1.2 Review and challenge significant financial and non-financial reporting issues and judgments, which the above statements contain, having regard to matters communicated by the auditor and comparability to other companies in the industry sector, and review and challenge in particular:

- the appropriateness and application of significant accounting policies, the quality and consistency of their application, and any changes to them, both on a year on year basis and across the Company/Group;
- the methods used to account for significant or unusual transactions, where different approaches are possible;

- whether the Company has made appropriate estimates and judgments, taking into account the views of the external auditor;
- the clarity, completeness of disclosure in financial reports, investor presentations and the context in which statements are made; and
- all material information (financial and non-financial) presented with the Annual Report and Accounts, such as the Strategic Report and the Corporate Governance report and the other statements listed in 2.1.1 above, relating to financial information, non-financial targets, audit, risk or internal controls.

2.1.3 Review the content of the Annual Report and Accounts and the other statements listed in 2.1.1 above, and advise the Board on:

- the assumptions and qualifications supporting the appropriateness of the going concern statement and the longer term viability statement;
- whether the Annual Report and Accounts and the other relevant statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's position and performance, business model and strategy; and
- the appropriateness of the Board making all statements in the Annual Report and Accounts on those other matters the Board is required to report on under the Code (see paragraph 2.1.6)

2.1.4 Where the Committee is not satisfied with any aspect of the proposed financial and non-financial reporting by the Company, it shall report its views to the Board.

2.1.5 As and when required by the Committee, the Committee may discharge its above-mentioned Duties and Responsibilities, in particular with regard to reviewing the Q1 and Q3 quarterly updates, by adopting the following process:

- the draft statement will be circulated to the Committee members, along with the announcement checklist, ahead of the Board meetings at which the Committee will be expected to recommend the quarterly update announcements to the Board; and
- prior to the relevant Board meeting, and subject to Disclosure Committee approval, members will provide their comments on the draft announcement by email (to the Company Secretary, Chair of the Committee, CFO and Investor Relations team) with a written approval for the Committee to recommend the announcement to the Board (subject to comments being addressed).

2.1.6 Monitor compliance with financial and non-financial reporting and applicable governance standards and regulations including the 2024 UK Corporate Governance Code (the Code).

## 2.2 **Risk Management and Internal Controls:**

The Committee shall (on behalf of the Board which retains overall responsibility for internal controls and risk management systems):

*Internal controls and risk management systems:*

2.2.1 Review and monitor (in accordance with the Code's transition requirements prior to 1st January 2026) the effectiveness of the Company's plans to ensure a robust framework (including systems, processes and policies) is established to identify, assess, manage and monitor the Company's material internal controls (including material financial, operational, compliance and reporting controls) and risk management processes, to enable the Committee to recommend to the Board the declaration on the effectiveness of the risk management and internal control framework to be included in the ARA (in compliance with the Code requirements);

- 2.2.2 Identify and review with management and then recommend to the Board, those internal controls that should be regarded as ‘material controls’, being those controls most material to the long-term sustainability of the Company;
- 2.2.3 Review and recommend to the Board for approval the declaration to be included in the ARA relating to the risk management and internal controls framework, recognising that post 1st January 2026 this declaration must provide a description of how the Board has monitored and reviewed the effectiveness of the framework; a declaration of effectiveness of the material controls at the balance sheet date; a description of any material controls not operating effectively at the balance sheet date; actions taken or proposed to improve the weaknesses; and actions taken during the year to address previously reported issues. Prior to 1st January 2026, the Committee’s focus will be on ensuring management has in place an appropriate programme of enhancement to allow the Board to provide the currently required Code declaration and be able to comply with the Code requirements post 1st January 2026 (as noted in paragraph 2.2.1. above);
- 2.2.4 Review, and recommend to the Board for approval, the statements to be included in the Annual Report and other statements listed in 2.1.1 above concerning internal control, principal and emerging risks, risk management, going concern and the viability statement.
- 2.2.5 Review at least annually the Group’s compliance with its regulatory obligations and processes set out in ITV’s Compliance Framework Manual.  
*Risk management function and risk assessment and procedures:*
- 2.2.6 Review the effectiveness of the risk management function (during the year) and seek such assurance as it may deem appropriate that the function is adequately resourced and has appropriate standing within the Company, with the risk management process being appropriately embedded into the business and operating effectively.
- 2.2.7 Ensure that a robust assessment of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten the Company’s business model, future performance, solvency or liquidity and reputation).
- 2.2.8 Monitor the effectiveness of the policies, procedures and processes to identify and assess new, existing principal and emerging risks on a timely basis and provide advice on the management and mitigation of those risks.
- 2.2.9 Assist the Board in monitoring the Company’s risk profile and exposure, including overseeing the business’ compliance with the risk appetite and tolerance set by the Board, taking account of the current prospective macroeconomic, financial and climatic environment and the Company’s strategic objectives.
- 2.2.10 Periodically review the effectiveness of the risk management framework and undertake in-depth reviews of high risk business areas or processes as requested by the Board to understand key drivers, mitigation activity and further management activity.  
*Risk and internal controls reporting:*
- 2.2.11 Receive and review reports from management to support fulfilling the above responsibilities, including reports regarding:
- assurance on the effectiveness of the internal control and risk management systems;
  - identifying and managing emerging and principal risks; and
  - material breaches of risk tolerance and appetite limits and the adequacy of proposed action.

The Committee will also consider reports from internal audit and external audit on the operational effectiveness of matters related to risk and internal control frameworks, including

the effectiveness of corrective action taken by management in response to any material external or internal audit recommendations.

*M&A, Investment and Divestment process review:*

- 2.2.12 Periodically review the M&A, Investment and Divestment process (“M&A process”) and make recommendations to the Board on the process.
- 2.2.13 As and when required by the M&A process, review the scope of planned due diligence work for transactions with a consideration of above £50m and report to the Board on the process, focussing in particular on implications for the risk appetite, tolerance and strategy of ITV. This would cover all aspects of due diligence: commercial; operational; legal/regulatory; people; financial; environmental; and the risk appetite and culture of the relevant entity.
- 2.2.14 Review the results of the due diligence work and report to the Board whether:
  - the due diligence work performed has appropriately addressed the key risk areas; and
  - the summary report from management and its advisers to the Board on the proposed transaction reflects fairly the results of the underlying due diligence work.
- 2.2.15 Annually review the results of post-acquisition reviews of transactions carried out in accordance with the M&A process and report outcomes to the Board as appropriate.

## 2.3 **ESG reporting and assurance**

The Committee is responsible for ensuring appropriate independent limited assurance is provided in respect of the relevant TCFD and other ESG related metrics and targets. It is also responsible for oversight of the adequacy and integrity of the disclosures (as provided in the Annual Report and Accounts, including the sections on Social Purpose, Non-financial and sustainability information statement and Climate related financial disclosures) and ensuring they are compliant with all existing and evolving regulations.

## 2.4 **Speaking Up, Fraud and Bribery and other compliance matters:**

The Committee shall:

- 2.4.1 *Speaking Up:*
  - review the Company’s Speaking Up policy, including its arrangements for its workforce, freelancers, contributors, public, other contractors and suppliers to raise concerns in confidence about possible wrongdoing in financial reporting, duty of care or any compliance or other matter;
  - receive regular reports from management, including information from the Company’s independent Speaking Up facility, on concerns raised and how they have been addressed; and
  - ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- 2.4.2 *Fraud:* Monitor compliance with Economic Crime and Corporate Transparency Act 2023 (ECTA 2023), including annually reviewing the Company’s policies, procedures, systems and controls for preventing, detecting and investigating fraud. Receive reports on any fraud related investigations and consider if any further appropriate action is required, including actions to prevent future fraud. Review disclosures in the Annual Report regarding fraud and compliance with ECCTA.
- 2.4.3 *Bribery, corruption and modern slavery:* annually review the Company’s systems and controls for the prevention and investigation of allegations of bribery, corruption and modern slavery.

Receive reports on any such allegations and investigations, in accordance with the ITV compliance framework, and consider if any further appropriate action is required.

2.4.4 Annually review the Company's codes, policies, procedures, systems and controls for ensuring the Company complies with its Code of Ethics and Conduct, Data Privacy and Governance policies and with all other regulatory and legal requirements

2.4.5 Review regular reports from the Head of Corporate Compliance and the Data Protection Officer on the Group wide compliance programmes and assess the adequacy and effectiveness of the Company's compliance functions

## 2.5 **Internal Audit:**

The Committee shall:

- 2.5.1 Review and approve the role, remit and mandate of the internal audit function, monitor and review the effectiveness of its work, and annually approve the charter of the internal audit function ensuring it is appropriate for the current needs of the organisation and the current risks of the business.

Oversee the internal audit function, which is delivered through a co-sourced model comprising both in-house and external resources. The Committee will ensure that this arrangement supports integrated delivery, maintains independence and objectivity, and delivers consistent audit quality and appropriate coverage across the Group

- 2.5.2 Approve the appointment, re-appointment and removal of the Company's Head of Internal Audit and any third-party internal audit provider(s). Oversee the relationship with the internal audit function including assessing its independence, objectivity and the effectiveness of the co-sourced delivery model.
- 2.5.3 Ensure there is open communication between different functions and evaluate the effectiveness of risk, compliance and finance functions as part of the internal audit plan.
- 2.5.4 Ensure that the Head of Internal Audit receives active sponsorship and visible support from the Group Chief Executive Officer and Group Chief Financial Officer, in order to reinforce the function's authority and enable the individual to exert appropriate influence across the Group
- 2.5.4 Ensure the internal audit function has adequate resources and unrestricted scope and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has appropriate standing within the Company and is free from management or other restrictions and remains independent and objective.
- 2.5.5 Review and approve the annual internal audit plan (including the scope and materiality level), ensuring that it is aligned to the emerging and principal risks of the business, receive regular reports on work carried out and be advised of any reasons for any change or delay in the plan.
- 2.5.6 Review summaries of all reports on the Company from the internal auditor and have access to full reports as the Committee considers appropriate.
- 2.5.7 Review and monitor management's responsiveness to the findings and recommendations of the internal auditor.
- 2.5.8 Meet the head of the internal audit function at least once a year, without management being present, to discuss the function's remit and any issues arising and to confirm the independence and scope of the internal audit function. In addition, the head of internal audit shall be given the right of direct access to the Chair of the Board, the Senior Independent Director and to the Committee.

## 2.6 **External Audit:**

The Committee shall oversee the relationship with the external auditor, in accordance with the requirements of the Code and the Audit Committees and External Audit: Minimum Standard (the Audit Standard). In providing this oversight, the Committee shall (but not limited to):

- 2.6.1 Consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment, and removal of the Company's external auditor. In compliance with the Company's relevant policy and the Audit Standard, lead the selection process for the appointment of external auditor (including the appointment of the external audit firm's lead audit partner every five years) and investigate the issues leading to any resignation of an auditor, deciding if any action is required.

- 2.6.2 Oversee the relationship with the external auditor including (but not limited to):

*Appointment and Fees:*

- approval of the auditor's remuneration for audit services (and closely related non-audit services where permitted) and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and
- approval of the terms of engagement, including any engagement letter issued at the start of each audit, and the scope of the audit.

*Independence and qualifications:*

- assessing annually the auditor's independence, effectiveness and objectivity taking into account relevant professional and regulatory requirements and the Group's relationship with the auditor as a whole, including the provision of non-audit services (where this is closely related to audit work and permitted by law/regulation);
- satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- agreeing a policy on the employment of former employees of the Company's auditor, taking into account the Ethical Standard and legal requirements, then monitoring the implementation of this policy;
- monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and
- assessing annually the auditor's qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on its own internal quality procedures and steps taken by the auditors to respond to changes in regulatory or other requirements, taking into consideration relevant UK professional and regulatory requirements.

- 2.6.3 Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year without management being present, to discuss the remit and any issues arising from the audit.

*Audit:*

- 2.6.4 Discuss with the external auditor the factors that could affect audit quality, and review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.
- 2.6.5 Engage with shareholders on the scope of the external audit, where appropriate.

- 2.6.6 Review the findings of the audit with the external auditor including discussion of any major issues which arose during the audit, any accounting and audit judgments, the auditor's explanation of how risks to audit quality were addressed, key accounting and audit judgments, the auditor's views of interactions with senior management and the level of errors identified during the audit.
- 2.6.7 Assess the quality and effectiveness of the audit process against the agreed audit plan and past recommendations, including the auditor's mind-set and culture; skills, character and knowledge; quality control and handling of key judgments as well as responses to question from the Committee. Report outcomes to the Board (including feedback from key people involved as supporting evidence).
- 2.6.8 Review any representation letter(s) requested by the external auditor before they are signed by management.
- 2.6.9 Review the management letter and management's response to the auditor's findings and recommendations.
- 2.6.10 Invite challenge from the external auditor, give due consideration to points raised and make changes to financial statements in response, where appropriate.

*Non-Audit Services:*

- 2.6.11 Annually review and approve the policy on the supply of non-audit services by the external auditor. Such non-audit services must be closely related to audit and comply with relevant law and regulation as well as ethical guidance.
- 2.6.12 Manage non-audit relationships with audit firms to ensure that there is a fair choice of suitable external auditors at the next tender (which must be undertaken in compliance with the relevant requirements of the Code and the Audit Standard).

*Tender:*

- 2.6.13 Ensure the external audit contract is put out to tender at least once every ten years and that there is a rotation of external audit firm at least every 20 years.
- 2.6.14 Ensure there is a robust tender process that presents at least two audit firms, not precluding the participation of non-big 4 firms, ensuring the tender process provides enough information to the participating firms that allows them to understand the Company's business, using transparent and non-discriminatory selection criteria to evaluate proposals. If an audit tender has taken place within the year, the Committee should explain within the Annual Report and Accounts the criteria used to make the selection and the process followed (see Tender section below), in line with the Financial Reporting Council's ('FRC') Audit Committees and the External Audit: Minimum Standards
- 2.6.15 Consider the public reports on the UK audit firms published by the FRC when evaluating tender proposals.
- 2.6.16 Eligible audit firms should be reminded that refusal to participate in a tender process may result in the relevant firm becoming ineligible to bid for non-audit services work.

*Auditor Resignation:*

- 2.6.17 Investigate the reason why an auditor resigns ahead of the required tender period, if the auditor does so, and consider whether any action is required.

**2.7 Reporting:**

*2.7.1 To the Board:*

- The Committee Chair shall report to the Board on its proceedings after each meeting on all



matters within its duties and responsibilities and how it has discharged its responsibilities, and any other issue on which the Board has requested the Committee's opinion. In addition to reporting to the Board in respect of its responsibilities regarding the Annual Report and other statements listed in 2.1.1 above, the report should include:

- (a) its assessment of the effectiveness of the external audit process and its approach to and recommendation on the appointment or reappointment of the external auditor; and
  - (b) its assessment, with supporting detail, of the effectiveness of the Group's material internal controls and risk management framework.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## 2.7.2 *Annual Report:*

- The Committee shall compile a report to shareholders on its activities to be included in the Annual Report and Accounts. The report should include, inter alia, an explanation of how the Committee has addressed the independence and effectiveness of the external audit process, the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor, and all other information requirements set out in the Code. The Annual Report shall also contain a section describing the work of the Committee in discharging its responsibilities.
- In compiling the Annual Report and the reporting to the Board, the Committee should exercise judgment in deciding which of the issues it considers in relation to the financial statements are significant, but should at least include those matters that inform the Board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement.
- The Committee shall have the right to publish in the Company's Annual Report details of any issues that cannot be resolved between the Committee and the Board.
- Report on activities undertaken to meet the requirements of the Audit Standard and explain if the scope of the audit did not cover specific requests from shareholders.

## 2.8 **Policies and Oversight of other Matters:**

The Committee shall review at least annually:

- the Group Approvals Framework, M&A, Investment and Divestment process and the Group's approvals governance structure;
- the Group Treasury policies and recommend any material changes for approval to the Board, as appropriate. The Committee will approve minor changes to the policies on banking and bank relationships, payments and cash management, funding and liquidity, foreign exchange, interest rates, bank counterparty limits, investments, guarantees and security and governance, legal and compliance;
- the Group's Duty of Care processes in place for TV programme contributors, public, colleagues, freelancers, third party production partners and overall risk levels and mitigation activity regarding duty of care;
- the Group's global tax strategy, including the Tax Governance and Risk Management Policy, as part of its overall review of the tax function, and recommend any changes for approval to the Board as appropriate; and
- the Directors' Gifts and Hospitality register.



- the Group's pensions risk management activities, including reviewing new, or changes to, material pension funding structures and significant financial reporting issues and judgments concerning pensions assets and liabilities; and
- the insurance position of the Group, including general insurance arrangements and directors' and officers' liability insurance.
- The Committee shall oversee any investigation of activities, which are within its terms of reference, and act as a court of the last resort.

### **3. OTHER MATTERS**

The Committee shall:

#### **3.1 Evaluation:**

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. Every three years, an external evaluation of the Committee's performance will be undertaken.

#### **3.2 Training:**

Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

#### **3.3 Auditors:**

Be responsible for the co-ordination of the internal and external auditors.

#### **3.4 Best practice:**

Give due consideration to laws, regulations and any published guidelines or recommendations including but not limited to the provisions of the Code, the requirements of the FCA Listing, Prospectus and Disclosure Guidance and Transparency Rules as well as guidelines published by relevant institutional investors and representative bodies, and any other applicable rules as appropriate.

#### **3.5 Committees:**

Work and liaise as necessary with all other Board Committees, taking particular account of the impact of risk management and internal controls being delegated to different Committees. In particular, provide advice to the Remuneration Committee on financial reporting matters and related judgements and risk management as they affect performance objectives incorporated in executive remuneration.

#### **3.6 Projects:**

Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

#### **3.7 Board authorisation:**

The Committee is authorised by the Board to:

- seek any information it requires from any employee of the Company in order to perform its duties;
- obtain, at the Company's expense, any outside legal or other professional advice on any matter within its terms of reference;
- call any employee to be questioned at a meeting of the Committee as and when required; and

- gain unrestricted access to all books and records of the Company.

## **4. MEETING ARRANGEMENTS**

### **4.1 Attendance:**

- Only members of the Committee have the right to attend meetings.
- Other individuals such as the Chair of the Board, Chief Executive, Group COO & CFO, Director of Finance, other Directors, other management involved in risk management or legal/compliance and other representatives from the finance function may be invited to attend all or part of any meeting as and when appropriate.
- The external auditor and the head of the internal audit function will be invited to attend meetings of the Committee on a regular basis.

### **4.2 Meetings:**

- *Quorum:* two members.
- *Number of meetings:* at least four a year at appropriate times in the reporting and audit cycle or at the request of the Committee Chair, any of its members or the external or internal auditors if they consider it necessary.
- *Notice of Meetings:* shall be forwarded to each member and any other person required to attend and all other Non-Executive Directors in sufficient time to allow the Committee to consider the papers to enable full and proper consideration to be given to issues, and for the Board to follow up on any recommendations as necessary, confirming the venue, time and date, and an agenda of items to be discussed and supporting papers.
- *Minutes:* the secretary will minute the proceedings of each meeting, which 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.
- *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.

### **4.3 Resolutions and approvals:**

- Committee resolutions shall be passed by the absolute majority of votes cast. In the event of equality of votes, the Committee Chair shall have the casting vote (except where he/she is not permitted to vote).
- Approvals may be taken in written form (including email), or via telephone or video conference.
- Approvals by email must be included in the minutes of the next meeting of the Committee.
- The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

### **4.4 Annual General Meeting:**

The Committee Chair shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities. In addition the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's area of responsibility.

Approved by the Board on 17 July 2025