

TERMS OF REFERENCE OF REMUNERATION COMMITTEE OF GAMMA COMMUNICATIONS

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least 3 members, all of whom are independent non-executive directors. The Chairman of the Board may serve as a member if he or she was considered independent on appointment as Chairman.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, the committee is authorised to require the attendance of other individuals such as the Chief Executive, the Chief Financial Officer, the Head of Human Resources or any other company employee for all or part of any meetings as and when appropriate. The committee may also invite the non-independent non-executive directors and also external advisers to attend for all or part of any meeting.
- 1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, so long as members continue to be independent
- 1.4. The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

2. Secretary

- 2.1. The Company Secretary or his or her nominee shall act as the secretary of the Committee, and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two. 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.

4. Meetings

- 4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of the committee Chairman.

- 5.2. 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, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless, in the opinion of the committee Chairman a conflict of interest exists.

7. Annual General Meeting

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

8. Duties

The Committee should carry out the duties detailed below for the parent company, major subsidiary undertakings, and the group as a whole as appropriate:

- 8.1. Determine and recommend to the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the executive Directors, the Company Secretary and such other members of the executive senior management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or senior manager shall be involved in any decisions as to their own remuneration;
- 8.2. In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of The UK Corporate Governance Code (published July 2018) (the **Code**), and the Quoted Companies Alliance (QCA) Corporate Governance Code, and the AIM rules, and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the company and alignment to the company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long term success of the company.
- 8.3. When setting remuneration for directors, review and have regard to pay and employment conditions across the company or group, especially when determining annual salary increases.

- 8.4. Review the ongoing appropriateness and relevance of the remuneration policy;
- 8.5. Approve the design of any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes; Determine targets for those schemes that apply to Executive Directors, the Company Secretary and such other members of the Executive Management that it is designated to consider
- 8.6. Approve the design of all share incentive plans for final approval by the Board and, where necessary, 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 executive directors and other senior executives and the performance targets to be used;
- 8.7. Determine and recommend to the board the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- 8.8. Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.9. 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 of each executive director, and the company Chairman. The committee also has oversight and approval authority for the remuneration of all other senior executive managers (this includes direct reports to the CEO and other LTIP participants and others as agreed from time to time), and also any employee with a base salary in excess of £150,000 or total potential remuneration in excess of £250,000. In all cases including bonuses, incentive payments and share options or other share awards;
- 8.10. Review and note annually the remuneration trends across the Group;
- 8.11. Oversee any major changes in employee benefits structures throughout the Group;
- 8.12. Agree the policy for authorising claims for expenses from the Chief Executive and Chairman and other Directors;
- 8.13. Ensure that all provisions regarding disclosure of remuneration including pensions, are fulfilled;
- 8.14. 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
- 8.15. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports or surveys (at the expense of the company, but within any budgetary constraints imposed by the board) which it deems necessary to help it fulfil its obligations.

8.16. Work and liaise as necessary with all other board committees

9. Reporting Responsibilities

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall produce an annual report of the Company's remuneration policy and practices and a report on Directors remuneration, all of which will form part of the Company's annual report. If the committee has appointed remuneration consultants, the annual report of the remuneration policy should identify such consultants and state whether they have any other connection with the company
- 9.4 Through the Chairman of the board, ensure that the company maintains contact as required with its principal shareholders about remuneration

10. Other

- 10.1. At least annually, the Committee shall 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.
- 10.2. Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the AIM rules as well as guidelines published by the Association of British Insurers, the Quoted Companies Alliance, and the National Association of Pension Funds and any other applicable rules as appropriate
- 10.3. The committee should have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

11. Authority

- 11.1. 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.
- 11.2. In connection with its duties the Committee is authorised by the Board, at the Company's expense, subject to any budgetary constraints imposed by the board,
 - 11.2.1 To obtain outside legal or other professional advice

11.2.2 To appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

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