

Gamma Communications Plc.
Risk Committee.

Terms of Reference.

1. Membership:

- 1.1 The committee shall comprise at least four members, which shall include the Chairman of the Audit Committee. The majority of the committee shall be Independent Non-Executive Directors.
Members of the committee shall be appointed by the board, on the recommendation of the nomination committee in consultation with the Chairman of the committee.
- 1.2 If not committee members, the CEO, CFO and the MD Service and Operations shall normally be in attendance at all meetings
- 1.3 Only members of the committee have the right to attend committee meetings. However, other individuals-in addition to those in 1.2-may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the risk committee
- 1.4 Appointments to the committee shall be for a period of up to three years, which maybe extended for further periods of up to three years, provided the director still meets the criteria for membership.
- 1.5 The board shall appoint the committee Chairman who shall be a 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.

2. Secretary:

The company secretary or his or her nominee shall act as the secretary of the committee

3. Quorum:

The quorum necessary for the transaction of business shall be two members of the committee

4. Frequency of Meetings:

The committee shall meet at least four times a year at appropriate times and otherwise as required.

5. Notice of Meetings

- 5.1 Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members or at the request of the CEO or MD Service and Operations if either considers a meeting necessary.
- 5.2 Unless otherwise agreed, notice of each meeting confirming venue, time, and date together with an agenda, shall be forwarded to all attendees no later than five working days before the date of the meeting.

6. Minutes of Meetings

- 6.1 The secretary shall minute the proceedings of all meetings of the committee, including recording the names of those present and in attendance.
- 6.2 Draft minutes shall be circulated promptly to all members of the committee. Once approved the minutes should be circulated to all other members of the board.
- 6.3 Final signed copies of the minutes should be maintained for the company's records.

7. Annual General Meeting

- 7.1 The committee Chairman should attend the AGM to respond to questions from shareholders on the committee's activities.

8. Duties

The Committee shall, on behalf of the board:

- 8.1 Ensure that management has designed and implemented appropriate risk management and internal control systems that identify the risks facing the company and enable the board to make a robust assessment of the principal risks.
- 8.2 Determine the nature and extent of the principal risks faced and make recommendations to and advise the board in determining those risks which the organization is willing to take in achieving its strategic objectives ie Determining its "Risk Appetite"
- 8.3 Agree with management how the principal risks will be managed or mitigated to reduce the likelihood of their incidence or impact
- 8.4 Ensure that there is a system in place for scanning the environment for new risks and responding to unexpected ones, and a regular Quarterly review and update to determine the principal risks.
- 8.5 Ensure that an appropriate risk management culture exists within the organization, and that risk assessment and control is an integrated part of decision-making of the company.
- 8.6 Monitor and review the risk management and internal control systems, and management's process of monitoring and reviewing, and satisfy itself that they are functioning effectively and that corrective action is being taken where necessary.

- 8.7 Ensure sound internal and external information and communication processes are in place, and taking responsibility for overseeing external communication on risk management and internal control
- 8.8 Ensure that management is providing the board with appropriate and timely information such that it can discharge its responsibilities.
- 8.9 Review and approve the remit of the risk management activity and ensure that it has adequate resources and appropriate access to information to enable it to perform its function effectively. Also ensure the function has adequate independence.
- 8.10 Work and liaise where necessary with other board committees, in particular the audit committee in identifying and managing areas where there is potential responsibility overlap, and the remuneration committee to ensure that the company's risk appetite and its approach to risk management, where appropriate is reflected in senior executive reward systems.
- 8.11 Give due consideration to laws and regulations, the provisions of the Code, and the requirements of the UK Listing Authority rules and any other applicable rules as appropriate
- 8.12 Arrange for periodic reviews of its own performance and, annually, review its constitution and term of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

9. Reporting responsibilities

- 9.1 The committee chairman shall report 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 a report of its activities and the company's risk management strategy and policy to be included in the company's annual report

10. Authority

The committee is authorized to :

- 10.1 seek any information it requires from any employee/director of the company in order to perform its duties;

10.2 obtain, at the company's expense external legal or other professional advise on any matter within its terms of reference where required; and

10.3 request the attendance of any employee at a meeting of the committee as and when required

Adopted by the Board 28 September 2017