

# TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

OF

## GAMMA COMMUNICATIONS PLC

Revised version adopted by the Board on 19 October 2023

### 1. Membership

- 1.1 Members of the Committee shall be appointed by the Board in consultation with the Chair of the Remuneration Committee. The Committee shall be made up of at least 4 members, all of whom are independent non-executive directors. The Chair of the Board may serve as a member if he or she was considered independent on appointment as Chair.
- 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 Officer (CEO), the Deputy Chief Executive Officer (DCEO) if applicable, the Chief Financial Officer (CFO), the Chief People Officer (CPO) or any other Company employee for all or part of any meetings as and when appropriate. The Committee may also invite the other independent non-executive directors and 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. Members may be re-appointed following a gap but still remain subject to the independence condition and a maximum of nine years total service.
- 1.4 The Board shall appoint the Committee Chair who shall be an independent non-executive director and before such appointment, the appointee should have served on a remuneration committee for at least 12 months. 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. The Chair of the Board shall not be Chair 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 Chair of the Committee shall require.
- 4.2 Outside of the formal meeting programme, the committee chair will maintain a dialogue with key individuals involved in the company's remuneration governance, including the Board Chair, the CEO and the Committee's remuneration advisors.

## **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 Chair or any of its members.
- 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 made available to all non-executive directors and any other person required to attend, no later than five 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 Chair a conflict of interest exists.

## **7. Annual General Meeting**

- 7.1 The Committee Chair shall attend the Annual General Meeting (AGM) prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair should manage engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **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 and benefits of the Company's Chair, CEO, , the DCEO if applicable, the CFO, the Company Secretary, the Group Counsel, and the Executive Committee (ExCo)\*. The remuneration of non-executive directors and the senior independent director shall be a matter for the Chair of the Board and the executive members of the Board. No director or senior manager shall be involved in any decisions as to their own remuneration. The scope of the policy will include but is not limited to basic pay, bonuses, incentive payments, share options or awards, and pensions.

\* The ExCo shall be defined (as at the date of approval of this document) as the Managing Directors of Gamma Business and Gamma Enterprise, the Chief Technology Officer, the Chief Operating Officer, the CPO, the Chief Marketing and Product Officer, and each of the heads of the European businesses, or as otherwise defined by the Board from time to time.

- 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), the Quoted Companies Alliance (QCA) Corporate Governance Code, 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 term strategic 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.

When determining such policy, the Committee will address the following factors set out in provision 40 of the Code: clarity; simplicity; risk; predictability; proportionality; and alignment to culture.

- 8.3 Within the terms of the agreed remuneration policy and in consultation with the Chair of the Board and/or CEOas appropriate, set the remuneration and benefits for the Company's CEO, Chair, the DCEO if applicable, the CFO, and other executives described in 8.1 having reviewed and had 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 at least annually.
- 8.5 Approve the design of any performance related pay schemes operated by the Company for individuals described in 8.1; determine the targets for those schemes; and approve the payments under such schemes.
- 8.6 Approve the design of all discretionary and all-employee share plans for final approval by the Board and, where necessary, shareholders. For any discretionary plans, determine each year whether awards will be made, and if so, the overall amount of such awards and the performance targets to be used, and recommend the individual awards to the Board.
- 8.7 Approve the financial terms and proposed service contract for any new recruit who will, on recruitment, meet the criteria of 8.1 or any individual who on promotion will meet the criteria of 8.1.
- 8.8 Ensure that contractual terms on termination for the CEO, the DCEO, if applicable, the CFO and other senior executives who meet the criteria of 8.1, 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 The Committee also has oversight for the remuneration of any employee with a base salary in excess of £150,000 or total remuneration in excess of £250,000 and will review the remuneration of such employees at least annually.
- 8.10 Review annually and agree the policy for authorising claims for expenses from the CEO, the DCEO if applicable, CFO and Chair and all other senior executive managers.
- 8.11 Ensure that all provisions regarding disclosure of remuneration including pensions, are fulfilled.
- 8.12 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 8.13 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.
- 8.14 Work and liaise as necessary with all other board committees.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chair 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 annually produce a report on the Committee's activities during the year, the Company's remuneration policy and practices, and an annual 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 Chair of the board, or if appropriate through the Committee Chair, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## **10. Other**

The Committee shall:

- 10.1 At least annually, 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 UK Corporate Governance Code, the QCA Corporate Governance Code, the requirements of the AIM rules as well as guidelines published by the Investment Association, the Quoted Companies Alliance, and the Financial Reporting Council and any other applicable rules as appropriate;
- 10.3 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required; and
- 10.4 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.

## **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; and
- 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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