

Tremor International QCA Principles Compliance

Last reviewed and updated June 25, 2019

Chairman's Introduction – Tim Weller, Non-Executive Director and Chairman

The Directors of Tremor International Ltd recognise the importance of high standards of corporate governance and have adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), in-line with AIM requirements.

The Board believes that good corporate governance reduces risks within the business, promotes confidence and trust amongst its stakeholders and is an important part of the effectiveness and efficiency of the company's management framework. As Chairman, I take seriously the responsibility of monitoring the performance of the Board, its committees and that of the individual directors, while providing overall leadership to the Board and acting as a liaison between the Board and senior management as well as representing the interests of shareholders. This is particularly important as we continue to rapidly expand our operations and implement our strategy to maintain a leading position in the fast-changing ad-tech industry.

The QCA Code includes ten broad principles that Tremor International strives to implement in order to deliver growth to its shareholders in the medium- and long- term. How the Board complies with the principles of the QCA Code can be found below. Further updates on the company's compliance will be provided on an annual basis and in our next annual report. The QCA Code can be found on the QCA's website: www.theqca.com

DELIVER GROWTH

QCA Code Principle	Tremor International Application
1. Establish a strategy and business model which promote long-term value for shareholders	Tremor has reiterated its strategy in its announcements and presentations to investors, particularly at the time of its financial results, which is to grow the business via geographic expansion, particularly in the Asia-Pacific region, and via acquisition of complementary technologies or to gain a presence in new markets. The company is also focused on the continual improvement of its technology to increase efficiency and implementing operational efficiencies in its acquired units to enable profitable growth. The key challenges to the business and how these are mitigated is detailed on pages 20 and 21 of the company's Annual Report and Accounts for the year ended 31 December 2018, Tremor also provided investors with an in-depth review of its strategy and how it manages risks at its Capital Markets Day, held in London in June 2018.

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2. Seek to understand and meet shareholder needs and expectations

Tremor encourages participation of both institutional and private investors and responds quickly to all queries received. The company provides the contact details for its IR advisers and CFO under 'IR Contact' on its website. Tremor also engages with investors via its broker.

The CFO, Yaniv Carmi, meets regularly with institutional investors, usually in regard to the issuance of financial results, and endeavour to accommodate all meeting requests from investors.

The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors – Non-Executive and Executive – are also available to listen to the views of shareholders informally immediately following the AGM.

Tremor International's four Non-Executive Directors are UK-based and available to meet with shareholders as requested. This includes the Chairman, who meets regularly with shareholders (independent of management) and seeks to understand voting decisions/intentions where appropriate. The Chairman either directly or indirectly through Tremor's broker regularly solicits feedback from its investors. The Chairman also receives questions from shareholders and looks to address them in a timely manner.

Regular reports are provided to the Board on meetings with shareholders and any concerns are communicated.

Tremor also seeks to meet the needs of shareholders on an ad hoc basis where necessary, such as with the recent publication of a Q&A document and webcast in January 2019 to provide further detail around the Recommended Offer for RhythmOne and with a presentation for private investors hosted in April 2019. Members of the management team also conduct interviews with Proactive Investors and seek to address any matters that have been commonly raised by shareholders.

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3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Tremor management team encourages employees to share their feedback, ideas and thoughts by promoting a transparent organisational culture and an “open door” policy. Employees share their feedback with their managers on a regular basis one-on-one. Those participating in the leadership programs are asked to share in group discussion their thoughts and feelings, and any feedback they might have in regard to management, culture and the company’s actions. The company also recently introduced internal surveys to garner employee feedback and satisfaction and to receive suggestions. The company shares its list of core values with all employees, which are the foundation of its culture: “everything is possible” (referring to endless and equal opportunities for personal and professional growth) and “work hard – play hard” (which refers to the importance of diligence and collaboration).

Staff retention rate is a key consideration and is a factor in determining the bonus payment of the Executive Directors. Retention is also a matter reported on to the Board. Each year, at least one Board meeting is held at the company’s headquarters in Israel, and the Non-Executive Directors will interact with the employees and present to them.

The company communicates and builds a relationship with external stakeholders via its marketing efforts, including social media, events, PR, direct marketing, online advertising and more. The company offers to meet with stakeholders at regular events globally, and also sometimes directly contacts investors to offer meetings.

Tremor has a ‘People & Culture’ program, which includes providing employees with opportunities for volunteering in the community – with a particular focus on education, such as tutoring youth at risk and collaborating with schools that care for underprivileged children. Tremor also regularly donates to voluntary associations.

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4. Embed effective risk management, considering both opportunities and threats, throughout the organization

Tremor's 2018 Annual Report details risks to the business and how these are mitigated on pages 20-21 and its internal control measures on page 17.

Both the Executive Directors and senior managers are responsible for reviewing and evaluating risk on an ongoing basis and the Board considers risks to the business at every Board meeting. The Board also allocates certain meetings to have a more in-depth review of strategy and risk, such as in the June 2018 meeting where Mr Tal Mor, the Chief Technology Officer, provided a detailed presentation for Board members on the state of ad-tech industry and the actions the company takes to address the risks of operating in a constantly evolving industry.

The Audit Committee of the Board consults with external advisers as/when needed to support execution on strategy and risk mitigation, such as holding executive sessions with KPMG to discuss the audit process and the manner in which the company's finance team is expanding to address the significant international growth of the business.

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MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

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5. Maintain the board as a well-functioning, balanced team led by the chair	<p>The composition, roles and responsibilities of the Board and its committees are set out on pages 14-16 of the 2018 Annual Report. The number of meetings of the Board and the committees are also detailed.</p> <p>High level and in-depth analytic materials, including the minutes from the prior meeting, are sent in a timely manner ahead of each committee or Board meeting allowing the Board members adequate time to review the materials. After each meeting, the minutes are sent to the chair for review and approval. All directors have direct access to the advice and services of the Company Secretary and are able to take independent professional advice in the furtherance of the duties, if necessary, at the company's expense.</p> <p>The composition of the Board is outlined on page 14 of the 2018 Annual Report. The Board considers all of the Non-Executive Directors to be independent.</p> <p>The time devoted by directors to their duties varies depending on the activities of the company. In 2018, the company held nine meetings plus numerous phone calls. Each year, the Board holds at least one 3-day meeting to review strategy and interact with senior managers. The Executive Directors work full-time for Tremor. The Non-Executive Chairman spends a minimum of three to four days per month on Tremor business. This is primarily via in-person meetings or phone calls with management, brokers and shareholders. The other Non-Executive Directors spend a minimum of two days per month on their duties, primarily through formal face-to-face meetings and phone calls with management and other Board members.</p>

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6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	<p>The composition of the Board and the credentials of the individual directors are outlined on pages 11, 14 and 20 of the 2018 Annual Report. All of the directors remain active in the media and marketing industry – working for public and private companies – which ensures that their skillsets remain up-to-date.</p> <p>The Nomination Committee of the Board oversees the process and makes recommendations to the Board on new Board appointments as well as re-election of existing directors. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender. The Nomination Committee also considers succession planning.</p>
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>The Board currently runs a self-evaluation process on Board effectiveness, and encourages open and transparent communication.</p> <p>All directors are subject to re-election by the shareholders each year (excluding the External Non-Executive Directors, which are subject to re-election every three years, in accordance with Israeli law).</p> <p>The Executive Directors are subject to an annual performance review with they are measured against pre-set criteria.</p> <p>The Board is constantly looking at ensuring the executive management of the company evolves. The company conducts a leadership program to ensure talent can be promoted within the business. If there are skill gaps, we look to fill those externally. At present, the directors are confident there is sufficient talent within the company to be able to appoint new leadership from within.</p> <p>The directors – Executive and Non-Executive – are, however, required to give three months' notice under their employment contracts if they wish to leave the company.</p>

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8. Promote a corporate culture that is based on ethical values and behaviours	<p>Tremor's 'People & Culture' program is designed to preserve the culture of the company. It includes "lecture of the month" to present different private and public social initiatives that aim to encourage employee volunteering and social awareness. Tremor also offers volunteering opportunities directly to employees.</p> <p>The company has a 'Leadership Program' that is designed to facilitate career progression while promoting leadership based on Tremor's core values and ethical behaviour. Similarly, the company's recruiting efforts and methods are based on the notion of being the culture's gate keepers: aiming to recruit people who are a cultural fit and share a common ground of ethical values and behaviours.</p> <p>The company's senior management team observes the culture of the company in operation at the local business units (throughout its geographies) through visits and maintaining company culture is a matter discussed by the Board. The Board also maintains regular dialogue with company management outside of the Executive Directors to monitor the disposition of the broader employee-base and ensure the continuation of a healthy, growth-oriented culture.</p>
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	<p>The Corporate Governance Statement on pages 12-23 of the 2018 Annual Report details the corporate governance structures and processes for the company.</p>

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BUILD TRUST

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10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	<p>The CFO, Yaniv Carmi, meets regularly with institutional investors, usually in regard to the issuance of financial results.</p> <p>The Chairman meets regularly with shareholders (independent of management) and either directly or indirectly through Tremor's brokers regularly solicits feedback from its investors.</p> <p>The Board recognizes the AGM as an important opportunity to meet private shareholders. The Directors – Non-Executive and Executive – are also available to listen to the views of shareholders informally immediately following the AGM.</p> <p>Tremor also seeks to meet the needs of shareholders on an ad hoc basis where necessary, such as with the recent publication of a Q&A document and webcast to explain the rationale behind the merger with RhythmOne and address any shareholder queries, as well as a presentation for private investors hosted in April 2019.</p> <p>Tremor describes its communication practices in its annual report under 'Relationship with Shareholders' (page 17 of the 2018 Annual Report and Accounts).</p> <p>The company communicates and builds a relationship with external stakeholders via its marketing efforts, including social media, events, PR, direct marketing, online advertising and more. As noted above, Tremor Board and management have established practices for communicating with employees and for receiving their feedback.</p>