

## **Tremor International - QCA Principles Compliance**

Last reviewed and updated 30<sup>th</sup> March 2020

The Board is responsible to shareholders for the effective direction and control of the Company, with the aim of generating long-term success for Tremor. This report describes the framework for corporate governance and internal controls that the directors have established to enable them to carry out this responsibility.

The directors recognise the importance of high standards of corporate governance and have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (the “QCA Code”) as the basis of the Company’s governance framework. This is in line with the London Stock Exchange’s AIM Rules requiring all AIM-listed companies to adopt and comply with a recognised corporate governance code. As an Israeli company, the Company also complies with the corporate governance provisions of Israel’s Companies Law, 5759-1999 (the “Companies Law”).

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.

The QCA Code includes ten broad principles that Tremor strives to implement in order to deliver growth to its shareholders in the medium and long term. The following text references how the Board complies with the principles of the QCA Code. The QCA Code can be found on the QCA’s website: [www.theqca.com](http://www.theqca.com)

### **DELIVER GROWTH**

<b>QCA Code Principle</b>	<b>Tremor International Application</b>
<b>1. Establish a strategy and business model which promote long-term value for shareholders</b>	<p>Tremor consistently reiterates its strategy in its communications, which include RNS announcements and presentations to stakeholders, and particularly at its financial results. Tremor’s strategy is to grow the business through a combination of organic geographic expansion, and via acquisition of companies providing complementary technologies or those which provide access to new markets. The Company is also focused on the continued improvement of its technologies to increase efficiency as well as implementing operational efficiencies across its acquired businesses to enable profitable growth.</p> <p>The key challenges to the business and how these are mitigated are detailed on pages 28 and 29 of the Company’s 2019 Annual Report.</p> <p>Tremor also provides stakeholders with in-depth reviews of its strategy and how it manages risks at Capital Markets Days, with one due to be held in London in April 2020, before being delayed due to the COVID-19 pandemic.</p>

## QCA Code Principle

## Tremor International Application

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### 2. Seek to understand and meet shareholder needs and expectations

Tremor encourages dialogue with both its institutional and private shareholders, responding quickly and with transparency to all queries received. The Company provides the contact details for its IR advisers on its website. Tremor also engages with investors via its broker, finnCap.

Tremor's CEO and CFO meet regularly with institutional investors, usually in relation to the issuance of financial results, and both endeavours to accommodate all meeting requests from investors.

The Board recognises the AGM as an important opportunity to meet private shareholders. Typically, the Directors – both non-executive and executive – are also available to speak to shareholders informally immediately after the AGM. However, in light of current UK Government measures relating to the COVID-19 pandemic, including restrictions on gatherings and nonessential travel, the AGM will be convened with the minimum quorum of only one Director and one other shareholder in attendance, which will be facilitated by the Company, in order to conduct the business of the meeting and shareholders must not attend the meeting in person.

All of Tremor's five 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 the Company's 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 in relation to the Unruly acquisition in January 2020 and with webcasts and separate presentations attended by analysts and private investors.

**QCA Code Principle**

**Tremor International Application**

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

Tremor's 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 programmes are asked to share their thoughts in group discussions and provide any feedback they might have in regard to management, culture and the Company's actions. The Company also 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).

Retention is a matter reported on to the Board.

The Company communicates and builds relationships with external stakeholders via its marketing efforts, including social media, events, PR, direct marketing, online advertising among other initiatives. The Company offers to meet with stakeholders at regular events globally, and occasionally directly contacts investors to offer meetings.

Tremor has a 'People & Culture' programme, 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 organisation**

The risks to the business and how these are mitigated are detailed on pages 28 and 29 of the Company's 2019 Annual Report and its internal control measures on pages 25 and 26 of the Annual Report.

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 its board meetings. The Board also allocates certain meetings to have a more in-depth review of strategy and risk.

The Audit Committee of the Board consults with external advisers (including the internal auditor) 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.

**MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK**

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**5. Maintain the Board as a well-functioning, balanced team led by the chair**

The composition, roles and responsibilities of the Board and its committees are set out on pages 23 to 26 of the Company's 2019 Annual Report. The number of meetings of the Board and the committees are also detailed.

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 Board members adequate time to review them. 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.

The composition of the Board is outlined on pages 23 to 26 of the Company's 2019 Annual Report.

The time devoted by directors to their duties varies depending on the activities of the Company. In 2019, the Board held 15 meetings. Each year, the Board endeavours to hold meetings to review strategy and interact with senior managers in various locations. All executive directors work full-time for Tremor and 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 nonexecutive 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.

## QCA Code Principle

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**6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**

The composition of the Board and the credentials of the individual directors are outlined on pages 18 and 19 of the Company's 2019 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.

The Nomination Committee of the Board oversees the hiring 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.

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**7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Board currently runs a self-evaluation process on its effectiveness and encourages open and transparent communication.

All directors are subject to re-election by the shareholders each year excluding the non-executive directors, which qualify as External Directors under Israeli law.

The Executive Directors are subject to an annual performance review when they are measured against pre-set criteria.

The Board constantly looks to ensure that the executive management of the Company evolves. The Company conducts a leadership programme to ensure talent can be promoted within the business. If there are skills gaps, the Company looks 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.

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**8. Promote a corporate culture that is based on ethical values and behaviours**

Tremor's 'People & Culture' programme is designed to preserve the culture of the Company. It includes "lecture of the month" which is used to present different private and public social initiatives that aim to encourage employee volunteering and social awareness. Tremor also offers volunteering opportunities directly to its employees.

The Company has a 'Leadership Programme' 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.

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.

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**9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Corporate Governance Report on pages 20 to 22 of the Company's 2019 Annual Report details the corporate governance structures and processes for the Company.

**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**

Tremor describes its communication practices in its annual report under 'Relationship with Shareholders' (page 25).