

Corporate Governance

THE QUOTED COMPANY ALLIANCE (QCA) CODE

The Directors recognise the importance of good corporate governance and have chosen to adopt the 2018 Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') in line with the London Stock Exchange's changes to the AIM Rules requiring all AIM quoted companies to adopt and comply with a recognised corporate governance code and detail how it complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The table below describes in broad terms how the Company addresses the key governance principles defined in the QCA Code at this point in time. Further information on compliance with the QCA Code will be provided in the Company's next annual report.*

Michael Tobin OBE (Non-Executive Chairman)

This disclosure was last reviewed and updated on 28 September 2018

THE PRINCIPLES OF THE QCA CODE

DELIVER GROWTH

QCA Code Principle	Application (as set out by QCA)	What we do and why
1. Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	<p>The Group's purpose, business model and strategy are explained within the Strategic Report section on pages 2 to 8 of the Company's 2017 Annual Report and Accounts (the "2017 Accounts")*. The Company will reiterate or update its strategy and business model in its next Annual Report and Accounts.</p> <p>The Group's strategy is focused around attracting the best-established podcasts and podcasters to its platform, continuing to roll out its Audioboom Original Network productions, and growing its market share in its key markets of the USA and the UK. In accordance with its strategy the Board may consider acquisition opportunities where appropriate.</p> <p>The key risks and challenges to the business and how these are mitigated is detailed on pages 7 and 8 of the 2017 Accounts*. The Company uses its internal control systems to identify risk and implement appropriate measures to monitor, manage and mitigate known risks.</p>

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<p>2. Seek to understand and meet shareholder needs and expectations</p>	<p>Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.</p> <p>The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.</p>	<p>The Board acknowledges the importance of open and regular communication with shareholders, within the regulatory constraints applicable to a public company. As such, the Company primarily communicates with shareholders through regulatory announcements. In addition, the Company makes use of its investor website and social media (in accordance with its social media policy) to provide information to shareholders and other interested parties.</p> <p>The Company is committed to listening to and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood.</p> <p>The Chairman and Chief Executive Officer seek to talk to the Group's major shareholders on a regular basis and ensure that their views are shared with the Board.</p> <p>The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of all shareholders informally immediately following the AGM. Where shareholder voting decisions are not in line with the Board's recommendations or expectations, the Board will seek to engage with the relevant shareholders to understand and address any issues.</p> <p>In addition to presentations at the AGM, the Company has historically held, and seeks to hold an investor presentation or event at least once a year, to which smaller and retail shareholders are invited and at which management present their latest thoughts on the Company. In addition, the Chief Executive Officer may attend or present at appropriate investor conferences.</p> <p>The Company has appointed external PR consultants to undertake its Investor Relations who, together with the Chairman and Chief Executive Officer, are the relevant contacts – see the contact details on the website for Walbrook PR (www.audioboopl.com/advisers-and-registrars). The Company may be required to exercise discretion as to which shareholder questions shall be</p>

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		<p>responded to, and the information used to answer questions will be information that is freely available in the public domain.</p> <p>The Directors believe that these methods of shareholder engagement are sufficient to support the Company's aims in meeting their needs and expectations.</p>
<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<p>The Company recognises the importance of establishing good relationships and maintaining open communication channels with different stakeholder groups. The Company is able to identify its key stakeholders through the Directors' and management's experience and knowledge of the operation of the Company. In addition, the Company collates data and metrics, enabling it to identify its top 50 podcast partners by listenership and its key advertising agencies.</p> <p>The Company's key stakeholders include employees, consumers, podcasters, advertisers and agencies. Engaging with our stakeholders strengthens our relationships and helps the Company make better business decisions. Some of the initiatives in place to strengthen and support relationships with the Company's key stakeholders include:</p> <ul style="list-style-type: none"> - monthly calls with the Group's Top 50 podcast partners from the business development team, enabling podcast partners to provide feedback to the Company on its services - newsletters sent weekly to major advertising agency representatives - representing the Company or speaking at leading industry events, including The Podcast Movement, The Sound Conference (at Harvard University) and the NAB Podcast Panel - "thought leader" strategy for key staff, implemented through blog posts and press outreach activity - "best practice" documents and on-boarding calls for all new podcast partners signed to the network

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		<ul style="list-style-type: none"> - on-boarding calls between podcast partners and advertisers, providing an opportunity for the Company to receive feedback in relation to its services - a new CRM system to fully manage ad sales bookings, podcast partner ad plans, and payments - full Editorial Complaints Procedure initiated in Summer 2018, with senior staff sitting on an editorial compliance panel – seek to ensure the blocking or removal of any defamatory or other inappropriate content from the platform - working closely with industry bodies around appropriate and standardised measurements and metrics <p>Various needs are addressed by sales and technical staff on a daily basis (via support@audioboam.com). The Company seeks to ensure that any questions or concerns are solved in a timely manner and are revisited afterwards to ensure that a satisfactory conclusion was reached. Through identifying and addressing queries received the Company can collate feedback on the services it provides enabling it to identify any systematic issues arising.</p> <p>Our employees are one of our most important stakeholder groups. The Board seeks to deepen employee engagement through the extensive reach of its share option scheme to all levels of staff. The Board carefully considers any feedback it receives from staff on any matters to ensure alignment of interests.</p>
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The board needs to ensure that the company’s risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company’s supply chain, from key suppliers to end-customer.</p> <p>Setting strategy includes determining the extent of exposure to the</p>	<p>The Company’s Principal Risks and Uncertainties, and information on how they are mitigated, are detailed on pages 7 and 8 of the 2017 Accounts.*</p> <p>The Board considers risk to the business at every Board meeting (currently, at least 12 meetings are planned each year). The Company formally reviews and</p>

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	<p>identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>documents the principal risks to the business at least annually.</p> <p>Both the Board and senior managers are responsible for reviewing and evaluating risk and the senior management team meets weekly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading.</p> <p>Audit, risk and internal financial controls:</p> <ul style="list-style-type: none"> - The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the executive management and the Audit Committee in light of ongoing assessment of significant risks facing the Company. - The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls. - The Audit Committee meets at least once a year with the Company's external auditor to discuss any weakness in the internal control systems, any fraudulent acts and possible financial risks discovered by the auditor during their review and audit process. - The Board is responsible for reviewing and approving the Company's overall strategy and its revenue and capital budgets and plans. There are comprehensive procedures for budgeting and planning, for monitoring and reporting business performance against those budgets and plans to the Board, and for forecasting expected performance over the remainder of the financial period. - The Company has a consistent system of prior appraisal of new contracts that are likely to have a financial impact (i.e. contracts with any upfront

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		<p>payments or minimum guarantees to new podcast partners). This appraisal system is overseen by the Chief Financial Officer and Chief Executive Officer, with defined controls and procedures with which each business area is required to comply in order to be granted investment funds. Regular post-investment reviews are also carried out to monitor the delivered return on investment.</p> <p>The Board has ultimate responsibility for the Group's system of internal controls and for reviewing their effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Group continues to review its system of internal controls to ensure they are appropriate for the size, complexity and risk profile of the Group.</p>

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

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<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p> <p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement.</p> <p>The board should be supported by committees (e.g. audit,</p>	<p>The Company is controlled by the Board of Directors. Michael Tobin OBE, the non-executive Chairman, is responsible for the running of the Board and Rob Proctor, the Chief Executive Officer, has executive responsibility for running the Group's business and implementing Group strategy.</p> <p>All Directors receive regular and timely information regarding the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of Board and committee meetings. 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 Board currently comprises two Executive Directors and three Non-Executive Directors. The Board considers, after careful review, that two of the three Non-Executive Directors bring their respective independent judgement to</p>

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	<p>remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>	<p>bear notwithstanding their respective lengths of service and their interests in the Company's shares. The third Non-Executive Director, Steven Smith, is a nominated appointment by the Company's largest shareholder and therefore considered non-independent. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively.</p> <p>The Board has a formal schedule of matters reserved to it and is supported by the Audit, Remuneration and Nomination Committees.</p> <p>The Company has effective procedures in place to monitor and deal with potential or actual Directors' conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. At present, each Board member commits sufficient time to fulfil their duties and obligations to the Board and the Company.</p> <p>The number of Board and committee meetings, and the attendance of the Directors will be disclosed in the Company's next annual report and accounts.</p>
<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition.</p> <p>The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board</p>	<p>Details on each of the Directors, including a summary of their past experience, can be found on www.audioboomplc.com/about-us/board-of-directors/. In its next annual report and accounts, the Company will further demonstrate, inter alia, how the Board as a whole contains the necessary mix of experience, skills, personal qualities and capabilities.*</p> <p>The current Directors have a wide range of industry, financial and capital markets skills based on both qualifications and experience including significant fundraisings, M&A activity, running and growing businesses and financial management. As such, the Board believes that the collective capabilities of the Directors enable the Company to deliver its strategy for the benefit of the</p>

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	<p>composition will need to evolve to reflect this change.</p>	<p>shareholders over the medium to long-term.</p> <p>The composition of the Board and its specific skills and knowledge will be reviewed by the Nominations Committee of the Board as the Company evolves. The Nominations Committee oversees the review process and makes recommendations to the Board on all new Board appointments. 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>
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.</p> <p>The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.</p>	<p>Historically evaluation of the performance of the Board has been carried out informally. However, with the appointment of a new Chairman and the adoption of the QCA Code, the Board will formally review and consider the performance of each Director, including attendance record at Board and Committee meetings, and review the performance of the Board as a whole to ensure that its members collectively function in an efficient and productive manner.</p> <p>This review will be done in the first quarter of every year before the publication of the annual report of the Company and before Directors are proposed for re-election at the AGM (if relevant) to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.</p> <p>The Chair of each Board Committee will be responsible for evaluating the performance of their respective committee, on an annual basis.</p> <p>The Board will utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning.</p> <p>All continuing Directors stand for re-election at the AGM on an annual basis.</p>

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<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team.</p> <p>Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p>The Board aims to lead by example and do what is in the best interests of the Company. A large part of the Group's activities is centred upon what needs to be an open and respectful dialogue with the key stakeholders, and so in order to grow our business it is vital that all our employees act in a way that reflects the values of the business.</p> <p>The Company also seeks to be an equal opportunities employer, addressing its corporate social responsibility by promoting equality and diversity in its workforce.</p> <p>The Group also has a system of performance incentives and a share option scheme to reward staff for performance.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. <p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p>The Company's Corporate Governance Report on pages 14 - 17 of the 2017 Accounts* details the Company's governance structures and why they are considered appropriate and suitable for the Company.</p> <p>Historically, the Board has met at least six times each year in accordance with its scheduled meeting calendar. For the immediate future the Board plans to meet at least once a month, either in person or by phone. This may be supplemented by additional meetings as and when required. The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management.</p>

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		<p>The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy; determining policies and values; fundraising decisions; approval of major expenditure; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the Group's strategic direction, annual budgets and performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the executive team.</p> <p>Senior executives below Board level attend Board meetings where appropriate to present business updates.</p> <p>The Corporate Governance Statement within the 2017 Accounts* includes information on the Board committees, including summaries of the committees' terms of reference. The Audit Committee meets at least twice a year and is responsible for review and approval of the half-yearly and annual reports and for communication with the external auditor in relation to any irregular matters found during the courses of their interim review and final audit of the Group. The Audit Committee is also responsible for reviewing the internal control system on a regular basis to prevent the occurrence of any fraudulent acts within the Group.</p> <p>The Remuneration Committee meets as required but at least once a year. Recommendations will be made to the Board for ensuring that the Executive Directors are fairly rewarded for their individual contribution to the Group.</p> <p>The role of the Nominations Committee is referred to above.</p> <p>With the recent appointment of a new Chairman, the Board will continue to</p>

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		review its governance structures with the QCA Code in mind. The Company is committed to the evolution of its corporate governance in line with best practice, to the extent the Directors judge it appropriate considering the Company's size, stage of development and resources.

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>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.</p> <p>In particular, appropriate communication and reporting structure should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> • the communication of shareholders' views to the board; and • the shareholders' understanding of the unique circumstances and constraints faced by the company. <p>It should be clear where these communication practices are described (annual report or website).</p>	<p>The Company communicates with shareholders through the Annual Report and Accounts, regulatory announcements, the AGM and one-to-one meetings with large existing or potential new shareholders. A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website, www.audioboomplc.com.</p> <p>The Board receives regular updates on the views of shareholders through briefings and reports from the Chairman, the Chief Executive Officer, Chief Financial Officer and the Company's brokers.</p> <p>The Report & Accounts and Notices of General Meetings of the Company for the last three years may be viewed in the Report and Accounts section of the website.</p> <p>The results of voting on all resolutions in future general meetings will be posted to the Company's website and announced via RNS.</p>

* It was not practicable for the Company to include the Annual Report & Accounts disclosures required by the 2018 QCA Code in the Company's Annual Report & Accounts for the financial year ended 30 November 2017, given that the 2018 QCA Code was published on 25 April 2018, when the Company was in the process of completing its audit and Annual Report & Accounts. The Company intends to include the Annual Report & Accounts disclosures required by the 2018 QCA Corporate Governance Code in the Company's Annual Report & Accounts for the thirteen months ended 31 December 2018.