



**Direct Digital Holdings, Inc.**

**Corporate Governance Guidelines**

---

The following Corporate Governance Guidelines (the “**Guidelines**”) have been adopted by the Board of Directors (the “**Board**”) of Direct Digital Holdings, Inc. (the “**Company**”) to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, and to enhance stockholder value over the long term. These Guidelines are a statement of policy and are not intended to change or interpret any federal or state law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-laws of the Company (together, as amended from time to time, the “**Charter Documents**”). These Guidelines shall be superseded by the Charter Documents in the event of conflict. These Guidelines are subject to periodic review by the Nominating and Corporate Governance Committee (the “**Committee**”) of the Board and modification from time to time by the Board.

**BOARD COMPOSITION**

**1. Selection of Chairperson of the Board**

The Board shall be free to choose its Chairperson in any way it deems best for the Company at any given point in time.

**2. Size of the Board**

The Board believes that it should generally have no fewer than five directors subject to the provisions of the Company’s Certificate of Incorporation and its By-laws. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability.

**3. Board Membership Criteria**

Nominees for director shall be selected on the basis of their character, wisdom, judgment, ability to make independent analytical inquiries, business experiences, understanding of the Company’s business environment, time commitment and acumen. Board members should possess the highest personal and professional ethics and be committed to representing the long-term interests of the stockholders. Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member’s service as an outstanding director.

The Committee shall be responsible for assessing the appropriate balance of skills and characteristics required of Board members.

The Board shall be committed to a diversified membership, in terms of both the individuals involved and their various experiences and areas of expertise. The Board believes that its membership should reflect a diversity of gender, race, sexual orientation, ethnicity, age, and skills and experience in the context of the needs of the Board.

#### **4. Director Independence**

An “Independent” director of Direct Digital Holdings, Inc., shall be one who meets the qualification requirements for being an independent director under the corporate governance listing standards of The Nasdaq Stock Market LLC (“NASDAQ”). The NASDAQ independence definition includes a series of objective tests, including that the director: (i) is not an employee of the Company; (ii) has not accepted any compensation from the Company in excess of \$120,000 during any period of twelve consecutive months within the prior three years; and (iii) is not a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and the Company’s management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

Each independent director of the Board shall promptly notify the Chairperson of the Board if any actual or potential conflict of interest arises between such director and the Company that may impair such director’s independence. If a conflict exists and cannot be resolved, such director should submit to the Board written notification of such conflict of interest and an offer of resignation from the Board and each of the committees on which such director serves. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual’s membership on the Board. In some cases, it may be appropriate for such director to be replaced as a member of one or more of the committees on which he or she serves but be retained as a director.

#### **5. Board Leadership**

The Board shall determine in its discretion from time to time whether the roles of Chairperson and Chief Executive Officer should be combined or split. When the Chairperson is a non-independent Director, the independent directors will designate an independent director to act as Lead Independent Director. Currently, the Board believes it is in the best interests of the

company for Mark Walker to serve as Chairperson and Chief Executive Officer. Since Mr. Walker is not independent, the independent directors have also designated a Lead Independent Director.

#### **6. Percentage of Independent Directors on Board**

Independent directors shall constitute a majority of the Board.

#### **7. Selection of New Directors**

The entire Board shall be responsible for nominating candidates for election to the Board at the Company's annual meeting of stockholders and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Committee shall be responsible for identifying, considering, recommending, recruiting, conducting background checks on and selecting, or recommending that the Board select, candidates for Board membership consistent with the Board approved criteria and qualifications for membership. When formulating its Board membership recommendations, the Committee shall consider any advice and recommendations offered by the Chief Executive Officer or the stockholders of the Company or any outside advisors the Committee may retain.

#### **8. Director Orientation and Continuing Education**

An orientation process for all new directors shall be maintained. This process includes comprehensive background briefings by the Company's executive officers. In addition, all directors shall periodically participate in briefing sessions on topical subjects to assist the directors in discharging their duties. The orientation and continuing education programs, which are subject to the oversight of the Committee, are the responsibility of the Nominating and Corporate Governance Committee.

#### **9. Directors Who Change Their Present Job Responsibility**

The Committee shall review the continued appropriateness of Board membership if a Board member has a material change in circumstances and the affected director shall be expected to act in accordance with the Committee's recommendation. Management directors shall offer to resign from the Board upon their resignation, removal or retirement as an officer of the Company unless their contractual agreements with the Company provide otherwise.

#### **10. Term Limits**

The Board does not mandate term limits for its directors because they would deprive the Board of the service of directors who have developed, through valuable experience over time, an increasing insight into the Company and its operations. At the same time, the Board recognizes the importance of an appropriate balance of experience and perspectives and considers the overall mix of tenure of the Board. Therefore, the Committee shall review each director's continuation on the Board every year, allowing both the director and the Board the opportunity to confirm the continued appropriateness of his or her Board membership.

## **11. Additional Directorships**

Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. Generally, directors are expected not to serve on more than five public company boards (including the Company's Board) unless they obtain specific approval from the Board. Directors should advise the Chairperson and Chief Executive Officer before accepting membership on other boards of directors or other significant commitments involving affiliation with other business, non-profit entities or governmental units.

## **12. Board Compensation**

A director who is also an employee shall not receive additional compensation for service as a director. The Compensation Committee is charged with the responsibility for reviewing (at least annually) and recommending to the full Board the form and amounts of compensation and benefits for non-employee directors. In making its recommendation, the Compensation Committee shall seek to fairly compensate directors at levels that are competitive with other companies in the industry in which the Company competes and to align directors' interests with the long-term interests of the Company's stockholders. In its deliberations, the Committee and the Board shall consider whether the levels of director compensation could impair independence and shall critically evaluate any consulting, charitable contribution or other potential indirect compensation arrangements.

## **13. Evaluation of Board**

The Board shall be responsible for periodically, and at least annually, conducting a self-evaluation of the Board as a whole. The Committee shall be responsible for establishing the evaluation criteria and overseeing the implementation of the process for such evaluation.

## **14. Evaluation of Committees of the Board**

The Committee shall conduct periodic reviews of each committee's contribution to the Company. In its review of the committees, the Committee shall review each committee's objectives, as stated at the beginning of each fiscal year, and compare those stated objectives to the results and time expended to achieve such results at the end of that year.

## **15. Board Contact with Senior Management**

Board members shall have complete access to management. Board members shall use sound business judgment to ensure that such contact is not distracting, and, if in writing, shall be copied to the Chief Executive Officer and the Chairperson of the Board.

Furthermore, the Board encourages senior management, from time to time, to bring employees into Board meetings who (a) can provide additional insight concerning the items being discussed because of personal involvement in these areas; (b) represent significant aspects of the Company's business; and (c) assure the Board of exposure to employees with future potential to assure adequate plans for management succession within the Company.

## **16. Access to Independent Advisors**

The Board and its standing committees, including the non-management or Independent directors when convening in executive session, shall have the right, at any time, to retain independent outside financial, compensation, legal or other advisors at the Company's expense.

## **17. Board Interaction with Institutional Investors and Press**

The Board believes that management generally should speak for the Company and that the Chairperson of the Board should speak for the Board, in each case, consistent with regulations governing such communications and with common sense. Unless otherwise agreed to or requested by the Chairperson, each director shall refer all inquiries from institutional investors and the press to designated members of senior management or to the Chairperson.

## **18. Code of Business Conduct and Ethics**

All of the Company's directors, officers and employees are required to acknowledge in writing and abide by the Company's Code of Business Conduct and Ethics (the "Code"). The Board expects the Company's directors, as well as officers and employees, to act ethically at all times and to adhere to the Code.

## **19. Periodic Review**

These Guidelines will be reviewed by the Board and its committees from time to time, but no less frequently than annually, and may be modified as the Board considers necessary or advisable in accordance with sound corporate governance policies and practices.

# **BOARD MEETINGS**

## **20. Frequency of Meetings**

There shall be at least four regularly scheduled meetings of the Board each year. Typically, one regularly scheduled meeting of the Board should be held each quarter. It is the responsibility of each of the directors to attend the meetings of the Board and the committees on which he or she serves.

## **21. Commitment, Attendance and Participation**

All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of stockholders. Members are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone or video conference. Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

## **22. Selection of Agenda Items for Board Meetings**

The Chairperson of the Board, in consultation with the corporate Secretary and the Chief Executive Officer, shall annually prepare a “Board of Directors Master Agenda”. This Master Agenda shall set forth a minimum agenda of items to be considered by the Board at each of its specified meetings during the year. Each meeting agenda shall include an opportunity for each committee chairperson to raise issues or report to the Board. Thereafter, the Chairperson of the Board and the Chief Executive Officer may adjust the agenda to include special items not contemplated during the initial preparation of the annual Master Agenda.

Upon completion, a copy of the Master Agenda shall be provided to the entire Board. Each Board member shall be free to suggest inclusion of items on the Master Agenda for any given meeting. Thereafter, any Board member may suggest additional subjects that are not specifically on the agenda for any particular meeting. In that case, the Board member should contact the Chairperson or the Secretary at least ten days prior to the relevant meeting.

## **23. Minutes of Board and Committee Meetings**

The Board and each committee shall keep and maintain regular and uniform minutes of each meeting of the Board (“**Minutes**”). The Minutes shall, at a minimum, identify the attendees, both Members of the Board or committee, as applicable, and any invited guests, at each meeting of such Board or committee, as applicable, whether such persons attended in person or via telephone or video conference, and the topics discussed and actions taken at such meeting. The Minutes must be sufficient to establish that the Board or committee, as applicable, sought the information it deemed relevant, reviewed the information it received, and understood each element of the issue before it. The Minutes shall be kept by the corporate Secretary or, in his or her absence, by such other person nominated by the Chairperson of the Board. If the Chairperson of the Board must nominate a replacement for the corporate Secretary to keep the Minutes, the Chairperson of the Board shall endeavor to maintain consistency in such replacement. The corporate Secretary shall file in the records of the Company all Minutes, whether taken by the corporate Secretary or any replacement.

## **24. Strategic Discussions at Board Meetings**

At least one Board meeting will be primarily devoted to long-range strategic plans. It is also probable that specific short and/or long-range strategic plans will be discussed at other Board meetings throughout the year.

## **25. Executive Sessions of Non-Employee and Independent Directors**

The non-employee directors shall meet in an executive session at each regularly scheduled Board meeting and, if any of the non-employee directors are non-Independent, the Independent directors should also meet in an executive session at least twice a year. The non-employee directors and Independent directors shall keep and maintain minutes of each executive session consistent with the requirements of paragraph 22 hereof as if such executive session was a meeting of the Board or a committee. The non-employee directors may meet without management present at such other times as determined by the Lead Director (as defined below)

or by any Board member. The non-employee directors may designate one non-employee director to serve as the “Lead Director” to preside as chairperson of the Board’s executive sessions of non-employee directors. The Lead Director shall advise the Chief Executive Officer and committee chairpersons with respect to agendas and information needs relating to Board and committee meetings, and perform such other duties as the Board may from time to time delegate to assist the Board in fulfilling its responsibilities. The Lead Director shall serve for such term as the Board shall determine. The identity of the Lead Director, if one has been designated, shall be set forth in the proxy statement for the Company’s annual meeting. If no Lead Director has been designated, the chairperson of the committee shall preside as the chairperson at meetings or executive sessions of non-employee directors. These meetings can be in person or held telephonically. The corporate Secretary shall establish, maintain and publicly disclose a method for interested parties to communicate directly with the non-employee directors as a group.

## **26. Board Materials Distributed in Advance**

Information and data is important to the Board’s understanding of the business and essential to prepare Board members for productive meetings. Presentation materials relevant to each meeting will generally be distributed in writing to the Board for their review in advance of the meeting.

## **27. Board Committees**

a. the Company shall have the following three standing committees: Audit, Compensation, and Nominating and Corporate Governance. The duties for each of these committees of the Board shall be outlined in each of the committee’s charter and/or by further resolution of the Board. The Board may form new committees or disband a committee depending on circumstances. The Audit, Compensation, and Nominating and Corporate Governance committees shall be composed entirely of “Independent” directors (as that term is defined under the standards of the Securities and Exchange Commission (the “SEC”) and NASDAQ), subject to applicable phase-in rules and other permitted exceptions.

b. With respect to members of the Compensation Committee, the Board, in determining whether members of the Compensation Committee meet the independence requirements, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a member of the Compensation Committee. These factors include, without limitation: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director, including fees received as a member of the Board or a committee of the Board and the receipt of fixed amounts of compensation under a retirement plan for prior service with the Company; (ii) whether such director receives compensation from any person or entity that would impair his or her ability to make independent judgments about the Company’s executive compensation and (iii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

c. With respect to members of the Audit Committee, the Board, in addition to determining that the members satisfy the NASDAQ independence requirements, shall also determine that the members satisfy the financial literacy requirements of NASDAQ applicable to

Audit Committee members, as in effect from time to time, when and as required by NASDAQ. In addition, the Board shall determine that at least one member of the Audit Committee shall satisfy the applicable NASDAQ financial sophistication requirements, as in effect from time to time.

## **28. Assignment and Rotation of Committee Members**

The Committee shall be responsible, after consultation with the Chairperson of the Board, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Committee's recommendations, the Board shall be responsible for appointing the members to the committees and, if applicable, respective chairpersons thereof, on an annual basis.

The Chairperson of the Committee and the Committee shall annually review the committee assignments and shall consider the rotation of committee chairs and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

## **29. Annual Review by Committee**

Each committee shall annually review its charter and recommend to the Board any changes it deems necessary. In addition to its charter, the Committee will annually review the Corporate Governance Guidelines and recommend to the full Board any changes it deems necessary.

## **LEADERSHIP DEVELOPMENT**

### **30. Evaluation of Chief Executive Officer**

The Board shall conduct an ongoing evaluation of the Chief Executive Officer. The evaluation of the Chief Executive Officer is accomplished through the following process:

- The Chief Executive Officer meets with the Committee to develop appropriate goals and objectives for the next year, which are then discussed with the entire Board.
- At year end, the Committee, with input from the Board, evaluates the performance of the Chief Executive Officer in meeting those goals and objectives.
- This evaluation is communicated to the Chief Executive Officer at an executive session of the Board.
- The Compensation Committee uses this evaluation in its determination of the Chief Executive Officer's compensation.

### **31. Succession Planning**

The Company understands the importance of succession planning. Therefore, the Committee, along with the Chief Executive Officer, shall analyze the current management, identify possible successors to senior management, and timely develop a succession plan including the succession



in the event of an emergency or retirement of the Chief Executive Officer. The plan shall then be reviewed by the entire Board, and periodically thereafter.

### **32. Management Development**

The Board, with the assistance of the Committee, shall periodically review the plans for the education, development, and orderly succession of senior and mid-level managers throughout the Company.

### **33. Communications to Executives and Employees**

The Board shall from time to time, but not less frequently than annually, reaffirm in a communication to all executives and employees of the Company that communications between a member of the Board or any committee and such executives and employees outside of a formal meeting of the Board or such committee do not constitute formal actions taken, or approval of actions, by the Board or such committee.

The Board shall from time to time, but not less frequently than annually, reaffirm in a communication to all executives of the Company that all compensation arrangements between executives and the Company (or any of the Company's affiliates or subsidiaries) must be approved by formal action taken by the Compensation Committee.

## **OTHER BOARD RESPONSIBILITIES**

### **34. Confidentiality**

The Board believes that maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidential and used solely in furtherance of the Company's business.

### **35. Company Loans**

The Company does not make loans to executive officers or directors that are prohibited by applicable law and the Company's Code of Business Conduct and Ethics prohibits other loans as well. In addition, the Company does not make loans to employees to facilitate the exercise of stock options. For this purpose, a concurrent exercise and sale procedure whereby the exercise price is paid from the proceeds of shares sold promptly upon exercise does not constitute a loan, except as otherwise specified by applicable law or regulation.

### **36. Ethics Reporting**

In compliance with applicable legal and regulatory requirements, the Company maintains mechanisms for the confidential reporting of violations of the Company's policies, ethical standards, or legal or regulatory requirements, including escalation of such matters to the Audit Committee under appropriate circumstances. Please review the Company's Compliance Reporting Policy.

### **37. Political Contributions**

The Company from time to time may make contributions to political candidates and initiatives and engage in lobbying activity to support innovation generally and promote the interests of the Company and its business. The Company's contributions are not based on the personal preferences of individual Company leaders. As part of its oversight role in public policy and corporate social responsibility, the Board reviews periodically the Company's policies and practices related to political contributions, contributions to campaigns, and contributions to trade associations and other tax-exempt and similar organizations that may engage in political activity. The Board also receives and reviews periodically reports on the Company's political activities and spending, including political contributions and contributions to trade associations and other tax-exempt and similar organizations that may engage in political activity. Any political activities and contribution of Company funds or other assets for political purposes must be reviewed in advance by the Company's Chief Financial Officer, or the firm's internal counsel, if any, for compliance with the Company's policies as well as applicable laws and regulations.

### **38. Attendance at Annual Stockholders' Meeting**

When possible, the Company's Annual Stockholders' Meetings are scheduled to coincide with one of the four regular quarterly Board meetings. Directors are expected to attend the Annual Stockholders' Meeting absent unusual circumstances.