

NOMINATION AND
REMUNEERATION
COMMITTEE
(TERM OF REFERENCE,
PROCEDURE AND
POLICIES)

DAPS Advertising Limited

1. MEMBERSHIP

The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent. Minimum two members or one third of the members of the Committee whichever is greater, shall constitute a quorum for the Committee meeting. The members of the Committee shall be appointed or removed by the Board of Directors.

2. CHAIRMAN

The Chairman of the Committee shall be an independent director. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. The Chairman of the Committee could be present at the Annual General Meeting of the Company to answer shareholders queries or may nominate some other member to answer the shareholders' queries. However, the Chairman of the Board shall decide who would answer the queries.

3. TERMS OF REFERENCE

- a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Directors;
- c) Devising a policy on Board Diversity
- d) While formulating the remuneration policy, to ensure that –
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- e) Identifying the person who is qualified to become a director or senior managers in accordance with criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose remuneration policy and evaluation criteria in its annual reports
- f) To have relevant experience of contributions to the deliberations of the Board and Corporate Governance

4. SELECTION OF NEW DIRECTORS

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- To have relevant experience in Finance/ Law/ Management/ Sales/Marketing/ Administration/ deliberations of Board/ Corporate Governance or the other disciplines related to company's business.
- The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- Potential conflicts of interest, and independence

5. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR

a) **Qualifications of Independent Director: -**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related and beneficial to the company's business.

b) **Positive attributes of Independent Directors: -**

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An independent director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

c) Independence of Independent Directors: -

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning independence of directors.

6. EVALUATION OF DIRECTORS

This policy aims at establishing a procedure for the periodic evaluation of directors' performance and formulates criteria for assessing the performance of the entire Board, its Committees, each director, and key managerial personnel. The purpose of such evaluation is to ensure the effective functioning of the Board, its Committees, and individual Directors and to identify areas of strength and opportunities for improvement.

a) Responsibility of the Board-

It shall be the duty of the chairperson of the board, who shall be supported by a Company Secretary to organise the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximise their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis-

- The board as a whole shall discuss and analyse its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- Carry out performance evaluation of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.
- Carry out performance evaluation of every director. Evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated.
- Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

b) Responsibility of the Nomination & Remuneration Committee-

It shall evaluate the performance of individual Directors of the Company on an annual basis.

c) Responsibility of Independent Directors-

Independent Directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of non-independent directors, performance of the chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors. The independent directors at their separate meetings shall:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

d) Criteria for Evaluation-

The broad parameters for evaluation are given in the Annexure to this policy. The criteria given is suggestive and not exhaustive.

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7. POLICY ON BOARD DIVERSITY

The candidate should possess adequate qualification, expertise, knowledge, skills, background and industry experience for the position against which he/ she is considered for appointment. The Committee has the discretion to decide whether the above requirements possessed by a person are sufficient/ satisfactory for the concerned position.

The Company should endeavor to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

While appointing the Directors and KMP, the Committee shall give due consideration to their limit of holding other directorships/office as specified in the Companies Act, 2013 read with the Rules made therein and the Listing Agreement (as amended from time to time) and/or any other applicable enactment, for the time being in force.

8. REMUNERATION POLICY

- a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
 - to attract and retain skilled executives;
 - to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
 - To ensure any termination benefits are justified and appropriate.
 - To consider professional indemnity and liability insurance for Directors and senior management
- b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- c) The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there, Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- d) Remuneration to Non-Executive Directors (NED's):
- Independent Directors ("ID") and Non – Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). The amount of sitting fees will be as recommended by the NRC and approved by the Board, and it may be subject to review on a periodic basis, as required provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
 - Company will not pay commission to the NEDs.
 - An Independent Director shall not be entitled to any stock option of the Company.
- e) Remuneration to Key Managerial Personnel & other employees:
- The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.
 - Remuneration to Executive Director/ Key Managerial Personnel and Senior Management will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and may involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

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- While deciding the remuneration package, it shall be taken into consideration the current employment scenario and remuneration package of the industries operating in the similar comparable businesses in the geographical area of its operations.

9. AGENDA, MINUTES & REPORTS

Meeting of the Committee can be held whenever required. The Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

10. AMENDMENT:

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves its right to review and amend this policy, in whole or in part, as it may deem appropriate as per the needs of the Company.

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Annexure

CRITERIA FOR EVALUATION OF THE BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS

1. Evaluation of Managing Director/Executive Director:

- Participation in Board/Committee meetings.
- Knowledge, competency, qualifications, and experience.
- Effective management of stakeholder relationships.
- Leadership qualities and anticipation of business trends.
- Development and execution of business plans.
- Establishment of effective organizational structure to ensure that there is management focus on key functions necessary for the organization to align with its mission;
- Demonstration of high ethical standards and integrity, attendance at meeting, commitment to organization.

2. Evaluation of Independent Directors:

In addition to the parameters laid down for directors, which shall be common for evaluation to both Independent and non-executive directors, an independent director shall also be evaluated on the following parameters:

- Maintenance of independence and avoidance of conflicts of interest.
- Exercise of objective independent judgment.
- Contribution to and monitoring of corporate governance practices.
- Adherence to the code of conduct for independent directors.

3. Evaluation of Non-Executive Directors:

- Participation in Board/Committee meetings.
- Commitment and guidance provided to senior management.
- Deployment of knowledge and expertise.
- Management of stakeholder relationships.
- Integrity, confidentiality, and independence.
- Impact and influence on Board decisions.

4. Evaluation of Chairperson of the Board:

- Management of relationships within the Board and management.
- Facilitation of issue-raising by Board members.
- Communication with shareholders and stakeholders.
- Personal attributes: Integrity, honesty, knowledge, etc.
- Leadership effectiveness and coordination.
- Commitment to Board and meeting attendance.
- Consideration of shareholders' interests.

5. Evaluation of the Board as a Whole:

- Development and effectiveness of strategies and business plans.
- Implementation of robust policies and procedures.
- Composition: Size, structure, and expertise.
- Conduct of Board meetings: Regularity, frequency; clarity, circulation, approval of meeting minutes, thoroughness of issue discussions
- Overview of financial reporting and internal controls.
- Engagement and willingness to learn about the company.
- Awareness of corporate governance and market conditions.

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6. Evaluation of Committees of the Board:

- Discharge of functions and duties as per terms of reference.
- Adherence to process and procedures.
- Effectiveness of suggestions and recommendations.
- Composition: Size, structure, and expertise.
- Conduct of meetings and adherence to procedures.
