

YES SYSTEMS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Effective from January 04, 2025)

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

The Board of Directors (the “Board”) of Yes Systems Private Limited (the “Company” or “YSPL”), are committed to operate and grow its business in a socially responsible manner. Objective of this Policy is to articulate the Philosophy/values of the Company towards social responsibility and to define areas chosen by the Company to impact the society with its efforts towards Corporate Social Responsibility (“CSR”) and to define the governance and monitoring framework for ensuring effectiveness of the Policy.

2. Regulatory Framework

Section 135 of the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”) and Schedule VII to the Act provides a framework for the companies falling within the purview of the Act, to undertake any one or more of the activities as laid down there under and to discharge their responsibility towards the society in general. Further, the Act also provides instructions/ agencies eligible for the implementation of CSR activities, through which companies may spend their funds assigned for CSR.

3. Scope of the CSR Committee:

The CSR Committee has been set up to:

- a. Formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as detailed in the Section 135 read Schedule VII to the Act and rules made there under from time to time;
- b. Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy;
- c. Monitor the CSR Policy from time to time;
- d. Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of such projects or programmes;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the company.

4. Eligible Areas for CSR under the Companies Act, 2013

Our emphasis is to actively work towards following activities covered under Schedule VII eligible for the purpose of CSR:

- a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- e. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- f. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- g. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- h. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- i. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

- j. Rural development projects;

- k. Slum area development;

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;

- l. Disaster management, including relief, rehabilitation and reconstruction activities.

5. Our approach towards implementation

We will strive to implement the aforesaid CSR activities on our own to the extent possible.

However, the implementation of our CSR activities would continue to be in association with various organizations which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialize in the aforesaid activities.

6. Exclusion from CSR

The following activity shall not form part of the CSR activities of the Company:

- a. The activities undertaken in pursuance of normal course of business of a company.

- b. CSR projects/programs or activities that benefit only the employees of the Company and their families.
- c. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
- d. Any CSR projects/programs or activities undertaken outside India.

7. CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- a. At least 2% of the average net profits made by the Company during immediately preceding three financial years;
- b. surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company;
- c. Administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- d. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- e. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.
- f. If the company spends an amount in excess of the requirements, company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed under the Act.
- g. If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the companies act 2013, specify the reasons for not spending the prescribed amount.

8. Monitoring and Reporting

- a. Each Director or CSR Committee member is responsible for ensuring that the principles set out in this policy are communicated and observed by all employees and for ensuring compliance in their area of responsibility.

- b. The report of the Board of Directors of the Company shall include CSR activities in the prescribed format and the Company shall also display the CSR policy on its official website, if any;

9. General

The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Ministry of the Corporate Affairs from time to time, on the subject matter.