

CORPORATE SOCIAL RESPONSIBILITY POLICY

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Acquia India Private Limited

TABLE OF CONTENTS

- 1 PREFACE, PHILOSOPHY AND VISION**
- 2 CSR OBJECTIVES**
- 3 CSR IN INDIA**
- 4 OBJECTIVES OF CSR POLICY**
- 5 CSR SPEND**
- 6 CSR ACTIVITIES**
- 7 IDENTIFICATION OF CSR PROJECTS**
- 8 MODE OF IMPLEMENTATION**
- 9 CSR COMMITTEE**
- 10 CSR TEAM**
- 11 ANNUAL ACTION PLAN**
- 12 MONITORING MECHANISM**
- 13 PUBLICATION OF CSR POLICY AND PROGRAMS**
- 14 AMENDMENTS TO CSR POLICY**

1. PREFACE, PHILOSOPHY AND VISION

- 1.1 Corporate Social Responsibility (“CSR”) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.
- 1.2 “CSR” is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. CSR is, therefore, closely linked with the practice of Sustainable Development. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.
- 1.3 Acquia India Private Limited (“Company”) is a subsidiary of Acquia Inc, USA. As such, accepting our Corporate Social Responsibility at the local level is the part of the way we see and understand ourselves. As an integral part of our Sustainability Strategy, we consider CSR to be our opportunity to contribute to regional development and to engage as a member of society at the locations where we are based.

2. CSR OBJECTIVES

The CSR Objectives of the Company are to build long term and sustainable partnerships with the communities around the Company based on the CSR activities that would be undertaken by the Company from time to time.

3. CSR IN INDIA

- 3.1 Section 135 of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the “Rules”) as amended from time to time lays down the frameworks and modalities for carrying out CSR activities by the qualifying companies.

4. OBJECTIVES OF CSR POLICY

- 4.1 Objectives of this CSR Policy is to define the framework for undertaking CSR activities for achieving the CSR objectives of the Company and to lay down the guiding principles with respect to the following
 - CSR Spend
 - CSR Activities
 - Identification of CSR Projects
 - Mode of implementation of the CSR Projects
 - Formulation of an Annual Action Plan
 - Manner of implementation of CSR Projects

- Manner of monitoring Mechanism of the CSR spend with respect to the CSR Projects undertaken by the Company

5. CSR SPEND

5.1 CSR Budget

- 5.1.1 Except where the Company ceases to be a company covered under section 135(1) of the Act, the Board of Directors shall ensure to spend in each financial year at least 2% (two per cent) of the average net profit made during the three immediately preceding financial years towards “CSR” activities / programs. The computation of average net profits shall be in accordance with the Act.
- 5.1.2 The Annual “CSR” Budget shall be approved by the Board of Directors of the Company before undertaking any CSR spend.
- 5.1.3 Prior approval of the Board of Directors shall be obtained for any change in the CSR Budget already approved by the Board.
- 5.1.4 Any surplus arising out of the CSR activities and programmes shall not form a part of the business profits and shall be utilized for CSR activities in accordance with the Act. However, this surplus spend shall not be considered for the CSR spend as required under the Act.

5.2 Excess CSR Spend

- 5.2.1 Subject to the provisions of the Act, CSR spend in excess of the statutory requirement may be set off against the requirement to spend towards CSR activities for the subsequent years with the approval of the Board.

5.3 Creation or acquisition of a capital asset out of CSR amount

- 5.3.1 Any capital asset acquired / created by the Company for the purpose of CSR will be in the name of the prescribed CSR entities or beneficiaries of the CSR project only.

5.4 Administrative Overheads

- 5.4.1 The Board of Directors shall ensure that administrative overheads as defined under the Act and Rules shall not exceed 5% (Five percent) of the total CSR expenditure of the Company for the financial year.

6. CSR ACTIVITIES

- 6.1 To attain its CSR objectives in a professional and integrated manner, the Company through its CSR Committee/Team and the Board, will undertake the activities listed under Schedule VII of the Companies Act, 2013 read with Section 135 and the Rules made thereunder including any amendments thereon from time to time.
- 6.2 CSR activities shall not include activities undertaken by the Company during the normal course of its business.

7. IDENTIFICATION OF CSR PROJECTS

7.1 The Company will identify suitable activities and programmes for implementation in line with aforesaid CSR activities of the Company.

7.2 CSR Activities shall be undertaken strictly in conformity with the activities specified under Schedule VII of the Act as amended from time to time and in line with the CSR objectives of the Company.

7.3 Areas for undertaking CSR

For undertaking CSR activities, the Company shall give preference to the local areas and the periphery around which it is operating. The Company may also choose to undertake CSR activities and programmes at other places in India.

7.4 Long-term, medium-term and short-term activities

The Company may, at its own discretion, depending on the programmes, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities and accordingly plan the implementation.

8. MODE OF IMPLEMENTATION

8.1 The CSR activities and programmes may be undertaken, at the discretion of the Company, by one or more of the following modes:

- i. Directly by building CSR capacities of the Company's personnel
- ii. Through Section 8 Company/ Registered Public Trust/ Registered Society registered under Sec 12A and 80G of the Income Tax Act established by any of the following and having CSR Registration Number allotted by the Ministry of Corporate Affairs:

- Company singly or along with any other company
- Central or state Govt
- Any third party provided that the said entity has a track record of minimum 3 years in undertaking similar activities
- Any entity established by an Act of Parliament or state legislatures

8.2 The Company may also collaborate with other companies for undertaking CSR activities or programs.

9. CSR COMMITTEE

9.1 As per Section 135 of the Companies Act, 2013 (Act) and rules made thereunder, if the amount required to be spent by a company on CSR does not exceed INR 50 Lakh (Rupees Fifty Lakh only), the requirement for the constitution of the CSR Committee is not mandatory and the functions of the CSR Committee could be discharged by the Board of Directors.

Based on the foregoing, at present the Company has not constituted a CSR committee and role of CSR Committee as defined under Section 135 of the Companies Act, 2013 and rules made thereunder shall be fulfilled by the Board of Directors.

However, the Board shall have the authority to decide on this requirement from time to time subject to applicable provisions of the Act.

9.2 In case of applicability, the Board of Directors of the Company shall constitute a CSR Committee of the Board of Directors (CSR Committee) consisting of at least two or more directors for reviewing and recommending the CSR budget and the Annual Action plan with respect to the CSR activities to be undertaken and to monitor the CSR spend and implementation of CSR activities by implementing agencies. The CSR Committee may be reconstituted by the Board of Directors of the Company from time to time.

9.3 The main functions of the CSR Committee, if formed shall be:

- i. Formulating CSR Policy and recommending the same to the Board of Directors for approval;
- ii. Recommending any modifications to the CSR Policy;
- iii. Recommending annual CSR Budget to the Board of Directors;
- iv. Review of the Annual Action plan submitted by the CSR Team and recommending the same for the approval of the Board of Directors;
- v. Periodic review of CSR spend and utilization reports issued by the implementing agencies or internal CSR implementation team;
- vi. Submitting periodic summary to the Board of Directors;
- vii. Institute a transparent monitoring mechanism for the implementation of the activities referred to in this CSR Policy.

10. CSR TEAM

10.1 The CSR Team will comprise one or more persons who would be involved in executing the CSR activities in line with the CSR Policy and shall report to the Board of Directors on the same periodically.

11. ANNUAL ACTION PLAN

11.1 On the basis of the CSR activities or programs identified, the CSR Team shall prepare an Annual Action Planincluding but not limited to the below mentioned details and submit to the Board:

- i. Details of CSR activities or programmes identified including the details of beneficiaries of the proposed CSR programs
- ii. Evaluating the activity to ensure it is in line with Schedule VII of the Act and as per the Company's CSR policy.
- iii. Location of the project

- iv. Amount allocated for the project
- v. Mode of implementation
- vi. Details of Implementing Agency which shall include the below details:
 - a. Registration Certificate under section 12A
 - b. Registration Certificate under 80G of the Income Tax Act, 1961
 - c. CSR Registration Number allotted by the Ministry of Corporate Affairs
- vii. Project duration which shall include the below details:
 - a. Timeline for spending and completing the CSR activity
 - b. Timeline for contributing the CSR fund to the Implementing Agency
 - c. Timeline for utilization of the CSR fund by the Implementing agency
- viii. Monitoring and reporting mechanism for each CSR Project
- ix. Details of need of impact assessment, if any required to be undertaken for the CSR projects to be undertaken by the company as required under the Act.

11.2 The Board shall form and review the Annual Action Plan and put in the place for its execution.

11.3 Any change in the details mentioned in the Annual Action Plan shall be approved by the Board of Directors.

12. MONITORING MECHANISM

For an effective implementation of CSR activities and programmes, and monitoring the activities and spend, a monitoring mechanism comprising the following shall be stipulated:

12.1 Prior approval for each spending

- i. CSR activities/programmes shall be approved by the Board of Directors before undertaking any CSR spend. For this purpose, a detailed Annual Action Plan shall be formulated by the CSR Team and placed before the Board of Directors for their review and approval.
- ii. Any deviation from the Annual Action Plan shall be placed before the Board for approval.

12.2 Execution of CSR Projects/Programs

- Direct Spending

The CSR Team of the Company shall work towards the approved CSR activities and approved CSR Budget. The CSR Team shall monitor the execution of CSR projects and utilization of CSR funds as per the Annual Action Plan approved by the Board.

- Spending through Implementing Agencies

CSR Team of the Company shall work with the respective implementing agencies for making the CSR contribution and shall monitor the execution of CSR projects by the

implementing agencies and utilization of CSR funds as per the Annual Action Plan approved by the Board.

12.3 The CSR Team shall submit periodic reports to the Board on the details of CSR spend, utilization and status of CSR activities/programs.

12.4 The CSR Team shall update the Board on the details of CSR spend, utilization and status of CSR activities/programs.

12.5 Unspent CSR Amount

Any unspent CSR amount at the end of a financial year shall be reported by the CSR Team to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Report for that particular financial year. Transfer of the unspent CSR amount to the government specified fund shall be governed by the applicable provisions of the Act.

13. PUBLICATION OF CSR POLICY AND PROGRAMS

Contents of the CSR Policy and such other details as may be required by the applicable laws shall be displayed on the Company's website, if any.

14. AMENDMENTS TO CSR POLICY

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit to confirm the revision/amendment, if any, made to the Act/Rules.



Annexure: 1. Roles and Responsibilities

ROLES AND RESPONSIBILITIES

