

Mirae Asset Investment Managers (India) Pvt. Ltd.

Corporate Social Responsibility (CSR) Policy

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I. Introduction

Corporate Social Responsibility (CSR) is a broad term used to describe a company's efforts to improve society in some way. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. These efforts can range from donating money to non-profits to implementing environmentally-friendly policies in the workplace. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The Corporate Social Responsibility Policy (CSR Policy) of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

II. Background

- a) Sec. 135 of The Companies Act, 2013 requires *both public and private companies in India which have either*
- i. *Net worth of INR 5 billion or more or*
 - ii. *Turnover of INR 10 billion or more or*
 - iii. *Net profits of 50 million or more*

Within any of the three financial years, to contribute 2% of their average net profits of the three preceding financial years to Corporate Social Responsibility initiatives, or specify their reasons for not spending that amount in their Board of Director's annual reports.

- b) The qualifying company is required to constitute a committee (CSR Committee) comprising of 3 or more directors. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board is responsible to take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company.

- c) The Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules") further clarifies that:

The activities that can be done by the company to achieve its CSR obligations include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed.

Also, preference should be given to local areas and the areas where the company operates. The Company may also choose to associate with 2 or more companies for fulfilling the CSR activities provided that they are able to report individually.

The CSR Committee shall also prepare the CSR Policy in which it includes the projects and programmes which is to be undertaken, prepare a list of projects and programmes which a company plans to undertake during the implementation year and also focus on integrating business models with social and environmental priorities and process in order to create share value.

The activities that are for the exclusive benefit of the employees of the company or their families, contributions to the political parties and activities in the normal course of business are excluded from the CSR spending; and upto 5% of a company's annual CSR expenditures including expenditure on administrative overheads, may be used for capacity building of the company's own personnel or of their implementing agencies.

III. Our Objectives

Our CSR initiatives will be aligned with the same principles to serve a social purpose, sustainable development of the society and the environment in which it operates.

CSR activities will be undertaken in areas identified by the CSR Committee. Activities undertaken by the Company may include projects related to:

a) Education and Skill Development

We will partner with schools, NGOs, Trust, societies, organizations and foundations providing a platform of excellence to students, expanding educational horizons/teaching methodology, working in the field of providing primary/secondary education, engaged in literacy programmes, providing vocational teachers trainings, etc., and also provide mid-day meals to school children and also partner with organizations/NGOs/Trusts which work in the field of child welfare, street children rehabilitation and other child welfare rehabilitations.

b) Wildlife and Environmental protection

Project focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.

c) Health Care Promotion:

Projects focused to offer health care to needy patients, building hospitals, providing medical facilities, providing free treatment/subsidized rates for treatment to children from poor family and under privileged and middle class families.

d) Undertake any other activities enumerated in Schedule VII of the Act.

IV. Activities enumerated in Schedule VII of the Act are:

- a. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- b. Promoting education, including special education & employment enhancing vocational skills especially among children, women, elderly & the differently able & livelihood enhancement projects;
- c. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- d. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- e. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- f. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- g. Employment enhancing vocational skills

- h. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- i. Measures for the benefit of armed forces veterans, war widows & their dependents;
- j. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- k. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- l. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- m. Rural development projects, etc.
- n. 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.

V. CSR Committee

The CSR Committee would comprise of three or more Directors including at least one independent Director.

The CSR Committee shall:

- i. Formulate and recommend to the Board the CSR Policy and any amendments thereto;
- ii. Indicate to the Board on the activities to be undertaken by the Company as specified in the Act;
- iii. Review and recommend the annual CSR plan to the Board;
- iv. Monitor the CSR activities and compliance with the CSR policy from time to time; and
- v. Review and implement, if required, any other matter related to CSR initiatives.

The Committee shall meet at least once in every financial year.

VI. Monitoring

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

1. The CSR Committee shall review the progress of CSR activities at least once a year.
2. The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
3. The Board of Directors shall review the progress of CSR activities at least annually.

VII. Disclosure

The Company shall include in its annual report, commencing with the annual report for the year ending December 31, 2017, the following information on CSR:

- i. A description of contents of the CSR policy;
- ii. An overview of the CSR activities;
- iii. The composition of the CSR Committee;
- iv. Average net profit for the preceding three financial years;
- v. Prescribed CSR expenditure;
- vi. Details of amount spent in the prescribed format;
- vii. Amount unspent, if any, and reasons for not spending the amount;
- viii. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy; and
- ix. Such other matters as may be specified from time to time for inclusion in the annual report.

The above information shall also be displayed on the Company's website.

VIII. Budget

The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

—Net profit means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

(i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise, and

(ii) Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

As per section 135 of the Companies Act, the Company will report reasons for under spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done in the Annual Report and signed off by the Board of Directors.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company.

The Company may collaborate or pool resources with other companies to undertake CSR activities, through any non-profit organization, if required.

IX. Amendments to the policy

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

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