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|  | Corporate Social Responsibility Policy | KIN - Legal - 001 |
| | Owner: Legal Department | Revision Level - 02 (21 st December 2022) |
| | COMPLIANCE | Effective Date: 21 st December 2022 |

**CORPORATE SOCIAL RESPONSIBILITY POLICY (“POLICY”) OF
KIA INDIA PRIVATE LIMITED (“KIN”)**

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1. INTRODUCTION:

Being a responsible corporate citizen, Kia India Private Limited (KIN) believes in the concept of “Give back to the Society” to create prosperous environment for the wellbeing of the people.

KIN believes that by combining social, environmental, and ethical responsibilities into the governance of businesses ensures their long-term success, competitiveness and sustainability which aims to holistic development of the society.

2. PURPOSE OF THE CSR POLICY:

2.1 The purpose of this Policy is:

- ① To detail KIN’s Corporate Social Responsibility agenda, program implementation and their monitoring, governance, and reporting.
- ② To comply with Section 135, Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) amendment Rules 2021 (“ the rules”) amended from time to time as applicable.

3. SCOPE OF THE POLICY:

3.1 Focused CSR planning and activities in accordance with the Schedule VII of the Companies Act 2013 shall be conducted for the holistic & sustainable development of the communities in coordination with concerned stakeholders.

3.2 The CSR policy shall apply to all CSR projects /programs /activities undertaken by the company and implemented by own or through any other Trust / Society / Section 8 company or any fund set up by the Central or State government(S) notified from time to time.

4. KEY STAKEHOLDERS:

4.1 First and foremost, beneficiaries of the CSR activities / programs are Societies & Communities which will be the key stakeholders of the CSR initiatives of KIN.


4.2 In addition, non-profit organizations, local administration, state and central government also would be the stakeholders of the CSR activities / programs.

5. CSR ACTION PLAN:

5.1 The detailed CSR Action Plan shall be prepared by the CSR Committee annually in consonance with this policy for recommendation to the Board each year The said plan shall be prepared with inputs from the concerned departments of the company.

5.2 The action plan shall be prepared keeping in view of:

- i. The ideal program and activity
- ii. Plan & implementation
- iii. Resources allocation and project sustainability
- iv. Impact on communities & Societies

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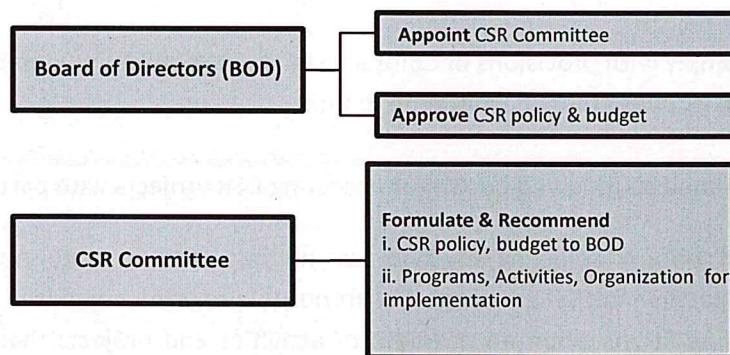
6. CSR PROGRAMS:


- 6.1 The areas where in KIN may consider for CSR programs /activities in compliance with Schedule VII of the Companies Act In addition to above, KIN can contribute to any fund set up by the Central Government or State government qualifying for CSR expenditure and/or providing support during natural disasters.
- 6.2 The concerned departments of the company shall identify key CSR programs and suggest specific activities relating to the Programs given in clause 6.1 to the CSR committee, who shall then decide and finalise the activities as it may deem fit and recommend it to the Board for approval.

7. CSR GOVERNANCE STRUCTURE:

7.1 The Governance structure for CSR shall be as follows:

- ① The Board of Directors shall constitute the Corporate Social Responsibility Committee (“Committee”) and the Committee is responsible for recommendation of CSR Policy, Program / Projects and Budget to the Board of Directors in compliance with companies act.
- ② The Committee shall consist of two (2) Directors who may further invite all Head of Departments (HODs) and Chief Administrative Officer (CAO) to be a part of the Committee meetings and shall be assisted by the concerned Departments.
- ③ The concerned departments shall prepare strategy, budget/expenditure report along with the programs supported for better assistance of CSR committee.
- ④ The Committee shall meet minimum once a year to consider and recommend CSR Action Plan to Board of Directors.



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7.2 Quorum

The requisite quorum shall constitute of 2 (two) members of the Committee to be present in person.

7.3 Notice

The notice for meeting shall be issued by the Company Secretary or Member of the Committee to the members of the Committee or any other person specifically required to be present in any meeting (including the Executives, Advisors, Senior Management, HODs and other individuals referred to above) shall be accompanied by an agenda for this meeting and shall be delivered well in advance, which in no case shall be less than 7(seven) days or any other time prescribed by law.

8. IMPLEMENTATION OF CSR ACTIVITIES & CRITERIA FOR SELECTION OF IMPLEMENTATION PARTNER(S):


8.1 KIN can implement CSR activities on their own resources.

8.2 In case KIN decides to select NGOs or other third-party non-profit organizations ("Partner Entity") for CSR projects or programs executions and implementation, the following minimum criteria shall be ensured:

- ① The Partner Entity is a registered Society / Charitable Trust / Section 8 Company which has previously participated in and/or conducted constructive CSR activities.
- ② The Partner Entity has a permanent office / address in India.
- ③ The Partner Entity has a valid Income Tax Exemption Certificate; and
- ④ The Partner Entity has submitted a project proposal and budget which has been approved by the CSR Committee.
- ⑤ The partners shall comply with provisions of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time.

8.3 The following procedure shall be followed by KIN for executing CSR Projects with partner entities:

- ① The Committee shall, prior to selecting any single or multiple partner entity, request a detailed project proposal from the partner entity detailing the proposed program objectives, budget, and scope of collaboration and in addition obtain a statement of activities and projects that the partner entity has previously engaged in.
- ② Upon project approval, the Committee, for every such individual program or project must formulate and issue a Memorandum of Understanding with the partner entity, enumerating the key roles and responsibilities of each of the parties.
- ③ Contributions shall be made only towards the specific projects identified by the CSR Committee and subsequently approved by the Board.
- ④ Prior to expanding the contribution amount to the partner entity, be it in stages or installments as per the progress, the CSR Committee must ensure that the said entity has all the requisite approvals required under all applicable laws.

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- ⑤ In addition to the above, the Committee may, at its discretion, conduct preliminary due diligence exercises and assessment of partner entities based upon credentials, governance, risk, financial controls and regulatory compliances. This may involve obtaining audited financial statements, including cash flow statements within 60 (sixty) days of the end of the relevant financial year and any information which may affect the implementation or adversely impact the CSR Project or activities of the partner entity in general.

8.4 Infrastructure:

The basic infrastructure of the NGO should be in place which includes fixed place of operation, clearly defined staff structure including number, names, roles & responsibilities of the staff etc. involved in the project, organization's capacities, staff experience and expertise in the context of the proposed project and otherwise, geographical area covered by the organization, other projects undertaken by the Organization. NGO should disclose financial assistance received from other sources.

8.5 Credible links: NGO should, preferably, have prior experience in the proposed area of work.

- ① NGO should have an established track record of three years in any of the related development fields as mentioned in Schedule VII of The Companies Act
- ② NGO should have no conflict of interest with the government, KIN or any of KIN's shareholders.

8.6 The CSR Committee may, subject to approval of the Board, engage external agencies or consultants to undertake any of the above-mentioned procedural checks to evaluate the partner entity credentials.

9. CSR BUDGET/ EXPENDITURE:

9.1 For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, the following shall be approved:

- ① As required by Law for compliance (as amended from time to time)
 - 2% of average net profits made during the 3 (three) immediately preceding financial years, as prescribed under Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014
 - Any income arising there from; and
 - Surplus arising out of CSR activities.
- ② As may be approved by the Board of Directors in excess of the legal requirement.


9.2 All expenditure incurred by KIN in pursuance of CSR activities shall be diligently accounted. It is hereby clarified that surplus arising out of CSR projects or programs shall not form part of business profits of the KIN.

10. REPORTING:

An annual comprehensive CSR Report shall be included in the Board Report as per provisions of Companies Act, 2013 as amended from time to time.

11. PUBLICATION:

The CSR policy recommended by the Committee and approved by the Board shall be displayed in the Company's website along with the Annual CSR Report for public viewing.

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12. AMENDMENTS:

The CSR Committee, subject to prior approval of the Board, reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.

13. EFFECTIVE DATE:

This revision level 02 CSR policy will come into force with effect from 21st December 2022

14. SAVING:

Notwithstanding such revision, anything done, or any action taken in terms of previous CSR policy shall in so far as it is not inconsistent with law be deemed to have been done in terms of approved CSR policy of KIN.