

L&W Construction Private Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) POLICY

1. Objectives of the Policy:

Establishing a guideline for compliance with the provisions of Regulations to dedicate percentage of Company's profits for social. This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (Collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, *inter-alia*, provide for the following:

- Establishing a guideline for compliance with the provisions of regulations to dedicate a percentage of Company's profit for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

2. Definitions:

In this Policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013;
2. 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014;
3. 'Ministry' means the Ministry of Corporate Affairs
4. 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014.
5. Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. CSR Activities:

The Policy recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section

135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

1. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
2. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centres & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
4. Reducing child mortality and improving maternal health by providing good hospital facilities and low-cost medicines;
5. 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;
6. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water;
7. employment enhancing vocational skills
8. 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;
9. Measures for the benefit of armed forces veterans, war widows & their dependents;
10. Training to promote rural sports, nationally recognised sports, paralympic sports & olympic sports;
11. 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;

12. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
13. Rural development projects;
14. Contribution towards specified National Disaster and for such other purposes and activities as may be permitted, from time to time, by the Ministry of Corporate Affairs.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

4. Annual spends/Allocation of Funds:

1. The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company.
2. The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years.
3. However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

5. CSR Committee:

The CSR Committee comprises of following Directors:

- Mr. Yong Kon Yoon – Chairman of CSR Committee
- Mr. Asaithambi Manickam
- Mr. Cheah Tiang Ann Edmund

The CSR Committee will consist of 3 directors. The Committee will meet at least once in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

6. Funding:

1. As per the Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.
2. Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilised in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.
3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

7. Planning and Implementation:

1. For the purpose of focusing its CSR efforts in a continued and effective, promotion of education including special education for the differently abled and promotion of health including preventive health care are identified as a main thrust area, besides other activities permitted under the Regulations.
2. A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
3. The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 companies *operating* in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'.
4. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
5. Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.

8. Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure II, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

9. Monitoring:

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
4. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
5. Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.

10 . Amendments to the Policy:

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