



# INDIA CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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## OVERVIEW

NVIDIA Graphics Private Limited is committed to contributing to harmonious and sustainable development of society and environment through its business activities and CSR initiatives, to be implemented within the geographical boundaries of India, with preference to its areas of operation. This policy sets forth the Company's goals in complying with all CSR-related provisions as per the Companies Act, 2013.

## GUIDING PRINCIPLES FOR PROJECT SELECTION, IMPLEMENTATION AND FORMULATION OF THE ANNUAL ACTION PLAN:

**Relevance:** Projects should be need-based, keeping local issues into consideration.

**Outcomes-orientation:** Projects will be designed with clear objectives, planned outcomes and a suitable monitoring and reporting framework. All projects will be periodically reviewed for course correction, wherever necessary.

### Sustainability:

- Projects should be designed for creating a long-term impact. An incremental expansion approach may be deployed if required. They should incorporate multiplier effects. Projects should ideally be replicable for subsequent coverage in other regions.
- Implementation partners should be carefully selected after due assessment of their local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.
- Provisions of community participation should be built-in. Community ownership and co-financing wherever required may be introduced in a progressive manner in suitable time frames necessary for communities to accept and adopt the initiatives. This will create understanding among communities on expectations, risks, roles and responsibilities.
- There should be due consideration of any material risk factors before selecting, initiating and during implementation of projects. These risks should be duly mitigated and managed on a regular basis.

## DETAILS:

### Scope and Applicability:

This Policy is formulated based on the provisions of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and notifications made thereunder. The Policy must be followed by all members who are appointed by the Board of the Company from time to time. The members of CSR Committee may modify this Policy, if required with the approval of the Board of Directors of the Company (the "Board"). The Board shall approve the annual action plan in relation to the CSR Activities to be conducted by the Company.

### Activities to be undertaken:

The Company is committed towards environmental sustainability, its safety and protection. In compliance with Schedule VII and Section 135 of the Companies Act, 2013 and the Company's Policy any of the activities listed therein may be carried out by the Company as part of its CSR initiatives.

## CSR Committee:

The Company shall constitute a CSR Committee of the Board in line with the provisions of Section 135 read with CSR Rules. The CSR Committee shall initiate, oversee, recommend, and review the Company's CSR activities and projects undertaken by it with highest standards of corporate governance and facilitate necessary compliances and appropriate disclosures.

## Composition of the CSR Committee:

- The CSR Committee shall be constituted with minimum of three Directors (hereinafter referred to as CSR committee members or members), provided if the number of Directors in the Company falls to two, such two Directors shall be the members of the Committee.
- The CSR committee members shall be nominated by the Board of the Company.
- Tenure of the membership in the CSR Committee shall be based on tenure of the Directorship of the members in the Company.
- The CSR Committee has the following Directors as members currently:

Sl. No	Name	Designation
1.	Mr. Donald Ford Robertson Jr	Member
2.	Ms. Rebecca Peters	Member
3.	Ms. Sudha Hooda	Member
4.	Mr. Vinit Agarwal	Member

The CSR Committee members may be changed by the Board as and when required.

## Annual Action Plan:

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this CSR policy, which shall include the following, namely:
  - the list of CSR projects and programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act
  - the manner of execution of such projects or programs
  - the modalities of utilization of funds and implementation schedules for the projects or programs
  - monitoring and reporting mechanism for the projects or programs; and
  - details of need and impact assessment, of the projects undertaken by the Company:

## Committee Meetings:

### Frequency of the Meeting:

The CSR Committee may meet in person / through video conference at such appropriate times as is deemed necessary by the members, in the financial year. A meeting could be held to recommend CSR activities and allocate funds for CSR programs/projects / formulate and recommend an Annual Action Plan for the approval of the Board for the current financial year and to review and monitor the CSR activities and funds allocated in the previous financial year.

### Approval through Circular resolution:

- The CSR Committee may approve and recommend CSR Activities and allocation of funds for CSR programs/projects / Annual Action Plan for the approval of the Board through passing of Circular resolution in accordance with the provisions of Companies Act, 2013 as amended from time to time.
- The resolutions passed through circulation by CSR Committee members should be taken note of in the next CSR Committee meeting in line with the provisions of Companies Act, 2013.

### Quorum and Place of the Meeting:

- The quorum necessary for the meeting shall be minimum of two members or 1/3<sup>rd</sup> of the total number of members (whichever is higher) present in person or via any other audio-visual means.
- The meeting can be held at any place as the members decide.
- Any person other than members of the Committee may attend the meeting when invited, with prior intimation to the Committee.
- If CSR activities are outsourced to any external organization, a representative from such organization may attend the meeting of the CSR Committee when invited to update the Committee on the Activities undertaken.

### Notice of the Meeting:

- Meeting can be called at the request of any of the committee members.
- Unless otherwise agreed by the members, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend not later than seven days before the date of the meeting.

### Minutes of the Meeting:

- Any authorized person shall minute the proceedings and decisions of all the meetings of the Committee including recording the names of those who are present and in attendance.
- Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and should be signed by the Chairman of that meeting not later than 30 days after the meeting.
- Once approved, minutes should be circulated to all other members of the Company's Board of Directors and shall be taken on record in the immediately subsequent meeting of the Company's Board of Directors.

### **Functions and Powers of the CSR Committee:**

- Formulate, amend when required and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in areas of CSR chosen by the Board from time to time.
- The CSR Committee shall recommend the projects/activities to be taken up during the financial year to the Company's Board of Directors, as recommended by a duly constituted sub-committee.
- The CSR Committee shall formulate and recommend an Annual Action Plan in pursuance of this policy for the approval of the Board.
- To receive reports and review activities initiated or/and implemented by the Company from associated agencies and organizations managing CSR operations of the Company across all areas.
- Recommend and report the amount of expenditure incurred on the CSR activities to the Board to ensure that the financial statements relating to CSR are correct, sufficient and credible.
- Approval of payment to any independent professionals or consultants for any other services rendered for the purpose of monitoring and effectively implementing the CSR projects/ programs of the Company.
- To prepare the Annual Company/Group Corporate CSR Report to be included in the Annual Report including website communications of the Company and ensure that it is a fair reflection of the Company's CSR approach, policies, systems and performance.
- To review the internal CSR program of the Company, ensure co-ordination between internal and external activities and ensure that the internal CSR function is adequately resourced and has appropriate standing within the Company.
- Monitor and Review the CSR projects from time to time as may be required.
- The Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects, programs or activities undertaken by the Company.
- To consider other matters as may be specified by the Board.

## CSR Project Spending Approval:

- The projects to be undertaken by the Company under this Policy shall be pre-approved by the CSR Committee members.
- The projects should be within the purview of the activities mentioned in Schedule VII and Section 135 of the Companies Act, as amended from time to time.
- The Board of Directors shall oversee each CSR project for effective implementation in consultation with the CSR Committee.
- Time frame should be given for each project/ program undertaken.
- The primary focus area of CSR activities by the Company may include but not be limited to education and gender equality/women's empowerment / waste management / environmental sustainability and maintaining ecological balance.
- The CSR Committee at its discretion may recommend any other focus areas in line with schedule VII of the Companies Act, 2013 from time to time.

## Board's Role:

- The Board shall ensure that the Company spends in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with this policy.
- The Board shall ensure that the CSR activities are undertaken by the company itself or through -
  - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
  - a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - any entity established under an Act of Parliament or a State legislature; or
  - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- The Board shall satisfy itself that the funds so disbursed have been utilized for the purpose and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year and the administrative overheads shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program.
- If the company fails to spend the required CSR amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- The Board may approve an ongoing CSR Project which is a multi-year project, not exceeding a timeline of three years excluding the financial year in which it commenced or may also support a CSR Project which is not an ongoing Project in line with the provisions of Section 135 of Companies Act 2013 and CSR Rules.
- In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, for smooth implementation of the project within the overall permissible time period.

### **Collaboration with other Body Corporate:**

The Company may have collaboration with other companies for undertaking CSR projects or programs in such a manner that the CSR Committees of both companies are able to report separately on such activities or programs in accordance with their respective CSR Policies.

### **CSR Expenditure:**

- The amount allocated for the purpose of CSR projects/programs decided by the Board, shall be spent only for the purposes/activities mentioned under this Policy.
- If the Company arrives at any surplus from the activities conducted under this Policy, such amount shall not be considered as business profit.
- Such surplus should be utilized for the purpose of other CSR activities under this Policy only.
- Expenses incurred by the Company's Parent or subsidiaries for CSR activities in India as routed through the Company shall be considered as CSR spend of the Company. Administrative overheads incurred by the company for general management and administration in relation to its CSR functions shall not exceed 5% of company's total CSR expenditure.
- Any amount remaining unspent, pursuant to any ongoing project, undertaken by the Company shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company for that financial year in any scheduled bank (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 Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

### **Computation of Net Profit:**

The net profit for the purpose of CSR spending shall be computed according to Section 198 of the Companies Act, 2013.

### **Reporting:**

- The Company shall undertake impact assessment through an independent agency of their CSR projects if the Company's CSR obligations exceeds the amount prescribed under Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules.
- The impact assessment reports are required to be placed before the Board and annexed to the Annual Report on CSR.
- The expenditure of the impact assessment may be booked towards CSR spending for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

### **Display of CSR Activities:**

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the Company website, for public access.