CORPORATE SOCIAL RESPONSIBILTY

(CSR) POLICY

OF

WSFx Global Pay Limited

(WSFx)

INTRODUCTION:

The Corporate Social Responsibility (CSR) Policy of WSFx Global Pay Limited will govern the execution of social engagement interventions undertaken by the company. It shall also include any amendments or modifications as required or as indicated by the Ministry of Corporate affairs under section 135 of the Companies Act 2013.

Corporate Social Responsibility (CSR) commitment is to improve the quality of life of the communities. At WSFx we believe that the Company exists not only for doing good business, but equally to do good for society. Communities face unique, complex challenges and its CSR strategy leverages the best of the organization's expertise to create bespoke, contextual, and partnered solutions to address the needs of the most vulnerable sections of the community.

WSFx shall always continue to respect the interests of and be responsive towards the communities we serve and operate in.

DEFINITIONS:

In this Policy unless the context otherwise requires:

a) **"Act"** means the Companies Act, 2013 and rules made thereunder.

b) **"Administrative overheads"** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

c) **"Corporate Social Responsibility (CSR)"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:
   i. activities undertaken in pursuance of normal course of business of the company:
   ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
   iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
   iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
   v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
   vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

d) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;

e) **"CSR Policy"** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee (if any), and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

f) **"Net Profit"** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 (Net Profit for CSR contribution as per Section 198 of Companies Act, 2013), but shall not include the following, namely: -
   i. Any profit arising from any overseas branch or branches of the company' whether operated as a separate company or otherwise;
   ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

g) **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

OBJECTIVE AND CSR VISION:

This Policy shall be read in line with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including amendments therein, if any, existing and forthcoming, as the case may be) and such other rules, 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 applicable provisions to dedicate a percentage of Company's profits for social projects / CSR activities; and
- 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.

The company strives for sustained economic success and leading market position with motivated and dedicated associates, aiming for excellence while living the Company's values and believing in its responsibility towards the society at large.

Our CSR vision is to focus on social development for uplifting communities through sustained interventions, continued engagement and using Company's capability, leading to empowering, inspiring and unlocking their full potential.

SCOPE OF CSR ACTIVITIES:

The Policy recognizes that Corporate Social Responsibility is not merely compliance, it is a commitment to support initiatives that benefit community at large.

CSR Projects/Programs of WSFx, will be in line with the below mentioned focus areas and/or mentioned under the Schedule VII of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, attached as **Annexure A**. The list is illustrative and must be interpreted liberally to capture the essence of the subjects enumerated in Schedule VII of the Act.

CSR COMMITTEE:

The CSR Committee shall be constituted as per the provisions of Section 135 of the Companies Act, 2013 who shall meet as and when required to discuss and review the CSR activities and policy. The quorum of CSR Committee shall be two members present in the meeting.

RESPONSIBILITY OF CSR COMMITTEE:

- formulate and recommend to the Board, a CSR Policy including amendments therein, if any, in the areas or subjects specified in Schedule VII;
- monitor the Policy from time to time and recommend changes to the Board;
- recommend the amount of expenditure to be incurred on CSR projects/ activities; and
- Constitute a transparent monitoring mechanism for ensuring effective and efficient implementation of the CSR projects.

CSR WORKING TEAM:

Members of CSR Working Team shall be**:**

i. Chief Executive Officer
ii. Chief Financial Officer
iii. HR Head
iv. Company Secretary

The Chief Executive Officer of the Company shall head the above-mentioned CSR working team. The roles and responsibilities of the CSR Working Committee or Board include:

• Review the proposals for CSR projects / programs / activities received and put up before the CSR Committee for deliberation, consideration and recommendation to the Board for approval.

RESPONSIBILITY OF BOARD OF DIRECTORS:

i. Approve the CSR Policy, subject to necessary changes/modifications as the Board may deem fit;
ii. Approve the Annual Plan and CSR Budget presented to the Board.
iii. Ensure CSR activities are in line with section 135 of the Companies Act 2013.
iv. Ensure CSR Budget allocated is equivalent or in excess of the minimum annual CSR obligation stipulated.
v. The Board monitors and reviews the performance and impact of the CSR programmes, provides input and guidance and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
vi. If the required amount to be spent by the Company may not be expended in its entirety in the relevant financial year, the Company shall ensure due compliance with the necessary

provisions under the Act including reclassification of the project as ongoing project. Ongoing Project(s) shall have the same meaning as provided under the Act read with rules.

vii. Seek periodic progress report on CSR projects.

viii. Ensuring that every financial year, funds committed by the Company for CSR activities are utilized effectively;

ix. Ensuring that activities included by Company in its CSR policy are related to the areas or subjects specified in schedule VII of the Act;

x. Ensuring disclosure of the composition of the CSR Committee, CSR Policy and details of the approved Projects are available on Company's website.

ANNUAL SPENDS/ALLOCATION OF FUNDS:

a) The Company would spend not less than 2% of the Average Net Profits of the Company made during the three immediately preceding financial years. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

b) **Unspent Amount on CSR Activities**: The Company endeavors to fulfill its CSR obligations in a timely manner. However, in the circumstances beyond the Company's control, if the required amount to be spent by the Company may not be expended in its entirety in the relevant financial year, the Company shall ensure due compliance with the necessary provisions under the Act including reclassification of the project as ongoing project.

c) The CSR Committee shall formulate an Annual CSR Plan in line with Schedule VII of the Companies Act, 2013 and the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year. An annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;

iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

iv. monitoring and reporting mechanism for the projects or programmes; and

v. Support to CSR projects/programs shall be prioritized in the following order:
    - Ongoing projects.
    - New projects on similar focus areas having potential of creating higher impact.
    - Support programs of other corporates/NGOs having similar CSR objective.

vi. details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

EXCLUSIONS:

In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following: −

i. activities undertaken in pursuance of normal course of business of the company and any activity undertaken by the company outside India.
ii. contribution of any amount directly or indirectly to any political party.
iii. activities benefitting only the employees of the company and or their families.
iv. sponsorship initiatives for deriving marketing benefits for its products or services.
v. activities carried out for fulfilment of any other statutory obligations under any other law in force in India.
vi. Projects/activities not falling within Schedule VII (i.e. activities mentioned under CSR initiatives and programs)

SELECTION OF CSR PROJECT:

Any of the following factors can be taken into consideration:

- Alignment of the project with the objective and vision specified in this CSR Policy;
- Impact on the society/community at large and the environment;
- Inclusive growth;
- Sustainability of the projects to ensure long term impact;
- Timeframe within which the project can be completed;
- Key beneficiaries of the project and the impact on them; and
- Availability of an Exit option

ADMINISTRATION/IMPLEMENTATION OF CSR PROJECT:

1. The Board shall ensure 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
   b. 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
   c. any entity established under an Act of Parliament or a State legislature; or
   d. 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.

Due diligence shall be carried out using appropriate methodology, when partnering with an implementing agency for project execution.

2. The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

3. The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

4. **Formulate implementation plans for the projects by clearly defining the**:
   - Activities to be undertaken.
   - Budgets proposed.
   - Time frame for implementation.
   - Responsibilities and authorities for implementation.
   - Impact expected to be achieved post-implementation.

5. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and Chief Financial Officer (CFO) of the Company shall certify that the CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

6. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time.

MONITORING & REPORTING OF CSR ACTIVITIES:

a. To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place;
b. The Committee will be responsible to periodically monitor implementation of these projects, which would include status updates, visits to the identified project locations, analyzing project reports (programmatic and financial) received from the executive partners, etc.
c. Periodic evaluation of the approved projects will be conducted by the Board members /Board CSR committee to assess the outcome of the implemented projects.
d. The report on progress on the CSR programme undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and result achieved on a regular basis;
e. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder; and
f. Company will establish an accounting system to ensure proper accounting of CSR spends.

ANNUAL ACTION PLAN:

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be simple, action oriented, measurable, relevant and time bound.

DISCLOSURE AND TRANSPARENCY:

CSR Policy, composition of the CSR Committee and the projects approved by the Board are displayed on the website of the Company.

LIMITATION AND AMENDMENT:

The Board of the Company may in their discretion and on recommendation of the CSR Committee, make any changes/modifications and/or amendments to this Policy from time to time. In the event of any conflict between the provisions of this Policy and statutory requirements, law shall prevail over and automatically be applicable to this Policy. In the event of any amendment to the Act, this Policy shall be deemed to have been amended accordingly.

- **The Policy is approved by the Board in its meeting held on May 27, 2025**

Annexure A

i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;
vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
ix. a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and otherbodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science,technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
x. Rural development projects;
xi. Slum area development; and
xii. Disaster management, including relief, rehabilitation and reconstruction activities.