

CORPORATE SOCIAL RESPONSIBILITY POLICY

Soliton Technologies Private Limited

1. Why we do this

Embedded in Soliton's purpose is the goal to "move humanity forward". While our primary means of achieving this is by running our company with integrity and excellence, we have always believed that we should play a constructive role as a good corporate citizen by directly assisting people and NGOs who make our cities and country a better place for many. Where we can, our people will give their time and skills as well as the Company's money.

2. Scope and legal basis

- This Policy covers all Corporate Social Responsibility ("**CSR**") activities of Soliton Technologies Private Limited ("**Soliton**" or "**the Company**") in India.
- It is made under Section 135 of the Companies Act, 2013 ("**the Act**"), Schedule VII to the Act, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**the Rules**"), as amended from time to time.
- The Company's annual CSR obligation is currently not more than INR 50 lakh. Under Section 135(9) of the Act, the Company therefore does not need a CSR Committee, and the Board of Directors ("**the Board**") carries out the Committee's functions. If the obligation exceeds INR 50 lakh in any year, the Board will form a CSR Committee of at least two directors, and references to the Board in this Policy will then include that Committee.

3. Focus areas

We will concentrate on two areas, both listed in Schedule VII to the Act:

Focus area	What we will support
Education of underprivileged children <i>Schedule VII, item (ii)</i>	• School fees and scholarships for children from economically weaker families • After-school learning support, coaching and mentoring • Books, learning materials and science/computer resources for schools serving poor communities • Employee volunteering as tutors and mentors
Healthcare and sanitation <i>Schedule VII, item (i)</i>	• Medical and health camps, including preventive health care • Support for hospitals and clinics that serve poor communities • Sanitation facilities and safe drinking water in schools and communities • Nutrition programmes for children

- We will give preference to the areas around our offices in Bangalore and Coimbatore, as the Act encourages.
- In exceptional situations such as a natural disaster, the Board may approve a contribution to a fund listed in Schedule VII, such as the PM CARES Fund.

4. What does not count as CSR

In line with the Rules, the following will not be treated as CSR spending:

- activities carried out in the normal course of the Company's business;
- activities outside India;
- contributions of any kind, direct or indirect, to a political party;
- activities that benefit only the Company's employees or their families;
- sponsorships or events whose main purpose is marketing or publicity for the Company; and
- activities carried out to meet any other legal obligation.

If a director has a personal interest in an implementing agency or project, the director will disclose it to the Board and will not take part in the decision on it.

5. CSR budget

- Each financial year, the Company will spend at least **2% of its average net profits** for the three immediately preceding financial years, calculated under Section 198 of the Act. The Board may decide to spend more.
- If the Company spends more than its obligation in a year, the Board may set off the excess against the obligation for up to the next three financial years.
- Administrative overheads (general management and administration of CSR) will not exceed 5% of the year's total CSR expenditure. Costs directly incurred to design, implement, monitor or evaluate a particular project are project costs, not overheads.
- Any capital asset created with CSR funds will be held by the implementing agency, the beneficiaries or a public authority, as permitted by the Rules, and not by the Company.
- Any surplus from CSR activities will not form part of the Company's business profits. It will either go back into the same project, be transferred to the Unspent CSR Account, or be transferred to a Schedule VII fund within six months of the end of the financial year.

6. How we implement

The Company may carry out CSR projects itself or through one of the following implementing agencies:

- (a) a company registered under Section 8 of the Act, a registered public trust or a registered society that is registered under Sections 12A and 80G of the Income-tax Act, 1961 (or the corresponding provisions of the Income-tax Act, 2025), and is set up by the Company alone or with others;
- (b) a Section 8 company, registered trust or registered society set up by the Central or a State Government;
- (c) any entity set up under an Act of Parliament or a State legislature; or
- (d) a Section 8 company, registered public trust or registered society, registered as in (a) above, with a track record of at least three years in similar activities.

In addition:

- Every implementing agency must hold a CSR Registration Number from the Ministry of Corporate Affairs (Form CSR-1).
- Before engaging an agency, the Company will check its registrations, track record, finances and governance, and visit its work where practical.
- Each engagement will be covered by a written agreement setting out the project, milestones, payment schedule and reporting. Funds will be released in instalments as the project progresses.
- A project may run over several years (an “ongoing project”), for up to three years after the year in which it starts, with the Board’s approval.
- The Company will encourage and recognise employees who volunteer. Volunteer time is in addition to, and is not counted towards, the Company’s CSR spending.

7. Roles and responsibilities

The Board will:

- approve this Policy and each year’s Annual Action Plan;
- ensure that the Company spends its CSR obligation each year;
- satisfy itself that funds have been used for the approved purposes and in the approved manner, supported by a certificate from the Chief Financial Officer (or the person responsible for financial management);
- review progress on CSR at least twice a year;
- include the annual report on CSR in the Board’s Report, giving reasons for any amount not spent; and
- place this Policy and the approved projects on the Company’s website.

The CSR Team, a voluntary group of employees, will:

- identify needs, projects and implementing agencies, and carry out due diligence;
- prepare the draft Annual Action Plan and budget for the Board;
- coordinate with Finance, HR and Legal to carry out projects;
- collect progress reports and utilisation certificates from implementing agencies, and visit projects where practical; and
- report progress to the Board at least twice a year.

8. Annual Action Plan

Each year the Board will approve an Annual Action Plan setting out:

- (a) the projects to be undertaken, within the focus areas of this Policy;
- (b) how each project will be carried out, and by whom;
- (c) how funds will be used, and the implementation schedule;

(d) how each project will be monitored and reported on; and

(e) any needs assessment or impact assessment.

The Board may change the Plan during the year if there is a reasonable justification. All CSR spending must follow the approved Plan; any spending outside it needs the Board's prior approval.

9. Unspent amount

If any part of the year's CSR obligation is not spent, the Board will give the reasons in the Board's Report and deal with the amount as follows:

Unspent amount relates to	Action	Deadline
An ongoing project	Transfer the unspent amount to a separate bank account called the "Unspent CSR Account" opened with a scheduled bank for that financial year. The amount must be spent on the company's CSR obligations within three financial years from the date of transfer. Any amount remaining unspent thereafter must be transferred to a fund specified in Schedule VII.	Transfer to the Unspent CSR Account within 30 days from the end of the financial year. Transfer any remaining balance to a Schedule VII fund within 30 days from the end of the third financial year.
Anything other than an ongoing project	Transfer the unspent amount to a fund specified in Schedule VII of the Companies Act, 2013.	Within six months of the end of the financial year

10. CSR contact

For any questions about this Policy, please contact:

Mekhala Devaraj, Director

Soliton Technologies Private Limited

#683, 15th Cross Road, J.P. Nagar 2nd Phase, Bangalore 560078, Karnataka, India

Phone: +91 (80) 4120 8600 | Email: csr_officer@solitontech.com

11. Reviews

The Board will review this Policy every year, and sooner if the law or the Company's circumstances change. Any change to this Policy needs the Board's approval.