

## **CSR Policy(Adopted on 23.01.2015)**

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## Chapter 1

### 1. INTRODUCTION:

Quess is one of the leading integrated business services providers in India focused on emerging as the preferred partner for handling end-to-end business functions of our clients. Quess has wide range of business services offering include recruitment, temporary staffing, technology staffing, IT products and solutions, skill development, payroll and compliance management, integrated facility management and industrial asset management services. Corporate responsibility is an integral part of the Quess Corp Limited Group's business strategy, our values and everyday actions. It defines how we act responsibly as an organization not only just for our clients and business, but for the empowerment of the community around us.

Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business

#### 1.1. APPLICABILITY:

This policy comprises the Company's philosophy for representing its responsibility as a corporate citizen and formulates the guidelines and mechanisms for undertaking development programs for sustainable development of the community at large and is titled as the '**Quess CSR Policy**'.

This policy shall apply to all CSR initiatives and activities taken at the various locations of the Quess Group Companies, at the local community for the benefit of different segments of the society, specifically the women, children and the community as a whole.

#### 1.2. CSR VISION STATEMENT & OBJECTIVE:

**"To actively contribute to the community in which we operate creating a positive impact on the lives of people especially in the areas of health and education. In so doing build a healthy and educated workforce and provide sustainable livelihood for the weaker sections of society."**

#### 1.3. The objective of the Quess CSR :

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in & around its work centers and results, over a period of time, in enhancing the quality of life, & healthy & educated workforce.
- To generate, through its CSR initiatives, a community goodwill for Quess Group and help reinforce a positive & socially responsible image for Quess Group as a corporate entity.

## CHAPTER 2

### 2. RESOURCES

#### 2.1. Funding & Allocation:

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, Qess Corp Limited will allocate at least 2 % of its previous year's Profit after Tax (PAT), as its Annual CSR Budget. Any unutilized amount under the annual allocation against this below head will be carried forward to the next year.

From the annual CSR Budget allocation, a provision will be made towards the following expenditure heads, on a year on year basis:

#### 2.1 (A). Contribution towards Education Program

Allocation of 40% of the CSR budget each year for implementing Education Program.

#### 2.1(B). Contribution towards Health program.

Allocation of 40% of the CSR budget each year for implementing Health program

#### 2.1 (C). Contribution towards Corporate employee matching grant program

Allocation of 20% of the CSR budget towards employee matching grant program.

## CHAPTER 3

### 3. PLANNING

#### 3.1. Identification of Thrust Areas and Strategic Initiatives:

For purposes of focusing its CSR efforts in a continued and effective manner, the following 2 **Thrust Areas** have been identified:

- Education
- Health

As a guideline Qess Corp Ltd. will distribute its annual CSR Expenditure amongst the two thrust areas, an indicative percentage, as mentioned above, has been suggested. However, the actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need Identification studies or desired by the CSR Committee or the CWF Trustees.

## CHAPTER 4

### 4. IMPLEMENTATION:

- CARE WORKS Foundation (CWF), A CSR wing of Qess group will plan & execute the CSR initiatives of Qess Corp Ltd.

- CSR programmes will be undertaken by various Group Companies of Qess Corp Ltd. to the best possible extent within the defined ambit of the identified 'Thrust Areas'.
- The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- At least 60% of the CSR programmes are to be executed in and around the areas adjoining Qess Group companies, or in the vicinity of Qess Group companies client's location
- Project activities identified under CSR are to be implemented either CWF or through specialized agencies, which could include - Voluntary Organizations (VOs), Not for profit organizations or formal Professional Consultancy organization or in collaboration with a Company or Foundation /Trust of a Company.
- The process for implementation of CSR programmes will involve the following steps:

#### **4.1. Identification of programmes:**

- The activities under the focus area may be further decided based on the Internal need assessment by cross-functional team at the Local level
- Receipt of proposals/requests from NGO's
- Discussions and request with local representatives/Civic Bodies/Citizen's forums/VOs

#### **4.2 Powers for approval:**

CSR programmes as may be identified by the team based on the policy document are required to be put up to the CSR Committee of the Board at the beginning of each financial year and separate approval sought for each program

For meeting the requirements arising out of immediate & urgent situations, the Chairman & Managing Director of Qess is authorized to approve proposals.

#### **4.3 Executing agency/Partners:**

Qess will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also benefit the stakeholders and the community for which those programmes are intended. These works would be done through:

- Community based registered organizations
- Voluntary Agencies (NGOs)
- Institutes/ Academic Organizations
- Trusts, Missions
- Contracted agencies for civil works
- Professional Consultancy Organizations
- Company and its foundations

#### **4.4 Criterion for identifying executing agency:**

While identifying programmes the concerned work centers will also identify the external agency who would execute the said programme. In case of programmes execution by NGOs/Voluntary organizations the following minimum criteria need to be ensured:

- The NGO / Agency has a permanent office / address in India;
- The NGO is a registered society under Society Registration Act;
- Possesses a valid Income-tax Exemption Certificate;
- Good track record and previous experience related to the project

#### **4.5 Agreement between CWF & Executing agency:**

Once the programmes approved by the CSR Committee are communicated to the CSR team, they will required to enter into an Agreement with each of the executing/implementing agencies

### **CHAPTER 5**

#### **5. MONITORING AND FEEDBACK**

To ensure effective implementation of the CSR programmes undertaken at each location, a monitoring mechanism will be put in place by CWF. The progress of CSR programmes under implementation at the various locations will be reported to the CSR committee on a monthly basis.

The CWF will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes based on the need.

### **CHAPTER 6**

#### **6. GENERAL**

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference is to be made to CWF. In all such matters, the interpretation & decision of the CSR Committee & CWF Trustees shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Company reserves the right to modify, cancel, add, or amend any of these Rules.

## **Audit Committee**

### ***Terms of reference of the Audit Committee***

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- d) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions; and
  - vii) Qualifications and modified opinions in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g) Scrutiny of inter-corporate loans and investments;
- h) Valuation of undertakings or assets of our Company, wherever it is necessary;
- i) Evaluation of internal financial controls and risk management systems;
- j) Approval or any subsequent modification of transactions of our Company with related parties;
- k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for

purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- l) Approving or subsequently modifying transactions of the Company with related parties;
- m) Scrutinising inter-corporate loans and investments;
- n) Evaluating undertakings or assets of the Company, wherever necessary;
- o) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- p) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- q) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- r) Discussion with internal auditors on any significant findings and follow up thereon;
- s) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- t) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- u) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- v) Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;
- w) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- x) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee; and
- y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

***The powers of the Audit Committee include the following:***

- a) To investigate activity within its terms of reference;
- b) To seek information from any employees;

- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

***The Audit Committee shall mandatorily review the following information:***

- a) Management discussion and analysis of financial condition and result of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses
- e) The appointment, removal and terms of remuneration of the chief internal auditor; and
- f) Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



## **Nomination and Remuneration Committee**

### **Terms of reference of the Nomination and Remuneration Committee**

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

## **NOMINATION AND REMUNERATION POLICY**

- I. The purpose of this Policy is to set over principles, parameters and Governance framework of the remuneration for Directors, KMPs and Senior Management Personnel.

II. This policy will assist the Board to fulfill its responsibility towards attracting, retaining and motivating the Directors, KMPs, and Senior Management Personnel and reasonable remuneration in line with the corporate and individual performance.

III. This document outlines following policies/guidelines:

A. Performance Evaluation of Directors

B. Remuneration principles

IV. Evaluation Of Directors& KMP's and Senior Managerial Personnel:

For the purpose of determining remuneration the Nomination and Remuneration Committee shall evaluate depending on the company's profitability in line with the thresholds prescribed under the Companies Act 2013. The remuneration shall be a mix of fixed and variable pay/long-term pay reflecting short and long-term performance objectives appropriate to the working of the company and its strategic goals.

## **Stakeholder's Relationship Committee**

### **Terms of reference of the Stakeholder's Relationship Committee**

- a) Consideration, Redressal and Resolving of shareholders'/investors'/security holders' grievances, including those relating to:
  - 1. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
  - 2. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
  - 3. Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by our Company to its shareholders; and
  - 4. Carrying out any other function as prescribed under the Equity Listing Agreement.

## **IPO Committee**

- (a) Finalizing the time-lines for the IPO in consultation with the BRLMs and other concerned intermediaries;
- (b) Deciding the objects of the Issue, the use of the IPO proceeds, the deployment of funds raised in the IPO and changes therein, if any etc.
- (c) Amendments to the memorandum of association and the articles of association of the Company;
- (d) Approving all actions required to dematerialize the equity shares of the Company including seeking the admission of the Company's equity shares into the CDSL and the NSDL;
- (e) Approving the draft red herring prospectus (the "DRHP"), the red herring prospectus (the "RHP"), the prospectus (the "Prospectus"), the preliminary and final international wrap, and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto;
- (f) Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
- (g) Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under applicable laws for the Board, officers of the Company and other employees of the Company;
- (h) Approving a suitable policy on insider trading as required under applicable laws;
- (i) Issuing advertisements as it may deem fit and proper in accordance with applicable laws;
- (j) Approving any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws in connection with the Issue;
- (k) Deciding on the size and all other terms and conditions of the Issue and/or the number of equity shares to be offered or issued and allotted in the Issue, including

any Green Shoe Option, any discount, any reservation for employees of the Company, employees or shareholders of promoting companies/ group companies and/or any other reservations or firm allotments as may be permitted and any rounding off in the event of any oversubscription as permitted under applicable laws and to accept any amendments, modifications, variations or alterations thereto;

- (l) Appointing and instructing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue, including any successors or replacements thereof;
- (m) Opening and operating bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with applicable laws and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (n) Appointing, entering into agreements with, and remunerating all such book running lead managers, lead managers, syndicate members, brokers to the Issue, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, refund bankers to the Issue, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, by way of commission, brokerage, fees or the like;
- (o) Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the Listing Agreements;
- (p) Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
- (q) Determining the price at which the Equity Shares are offered or issued/allotted to investors in the Issue;
- (r) Determining the price band for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
- (s) Determining the bid opening and closing dates;
- (t) To finalise and approve the basis of allocation and confirm allotment/transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead managers, the Stock Exchanges and/or any other entity;
- (u) Allotment/transfer of the equity shares;
- (v) Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under applicable laws;
- (w) Authorizing and empowering Mr. Ajit Isaac and Mr. Subrata Nag, Directors of the Company(each, an "**Authorized Officer**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as

amendments or supplements thereto that the Authorized Officer considers necessary, desirable or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the Listing Agreements, the registrar's agreement, the depositories agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any agreement or document in connection with the Issue, with, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue, if any; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

- (x) Authorizing any Authorized Officer to severally take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, but not limited to, applications to, and clarifications or approvals from the FIPB, the Gol, the RBI, SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;
- (y) Taking decisions on and resolving all such questions, difficulties on all matters in relation to the proposed IPO, issuing explanations and clarifications to SEBI, the RBI, the stock exchanges, the RoC, and all other regulatory authorities, government offices etc. in connection with any matter relating to disclosures in the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus etc., or any other matter, issue, grievance related to or incidental with the IPO or listing of the shares of the Company etc;
- (z) Severally authorizing and empowering each Authorized Officer, for and on behalf of the Company, to execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all acts or things as any such Authorized Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Issue; and any such documents so executed and delivered or acts and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be;
- (aa) Executing and delivering any and all other documents, papers or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or the Issue and any documents so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive

evidence of the authority of the IPO Committee in so doing.”

- (bb) To give or authorize any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (cc) To affix the common seal of the Company on such documents in this connection as may be required in accordance with the provisions of the Articles of Association of the Company;
- (dd) To make applications to or seek exemptions from the SEBI, RBI and such other authorities as may be required for purpose of the Issue;