

PHILIPS INDIA LIMITED
POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

I. INTRODUCTION

The business of Philips India Limited and its subsidiaries are located in different parts of the country. In the aforesaid backdrop, policy on Corporate Social Responsibility of PIL is broadly framed taking into account the following measures:

- (i) Welfare measures for the community at large including employees and their families, so as to ensure the poorer section of the Society derive the maximum benefits.
- (ii) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income.
- (iii) Protection and safeguard of environment and maintaining ecological balance.

II. OBJECTIVE

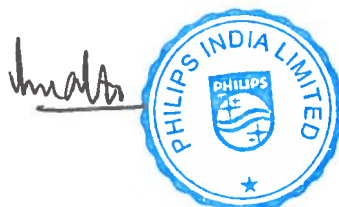
The main objective of CSR policy is to lay down guidelines for the Philips India Limited to make CSR a business process for sustainable development for the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

III. SCOPE AND AREAS TO BE COVERED

The poor and needy Section of the Society living in different parts of India would normally be covered.

However, the scope of the CSR policy at Philips India Limited shall broadly include areas as under:

1. Eradicating extreme hunger and poverty
2. Promotion of Education
3. Promoting Gender Equality and Empowering women
4. Reducing child mortality and improving mental health
5. Combating human immunodeficiency virus, AIDS, Malaria and other diseases, including improvement of health.
6. Ensuring Environmental sustainability
7. Employment Enhancing vocational skills
8. Social Business Projects
9. Contribution to Prime Minister Relief Fund or any other Fund set up by the Central Government or State Government for socio economic development and relief and funds for the welfare of scheduled caste, scheduled tribes, other backward caste and minorities and women; and



10. Such other matters as may be prescribed from time to time under the Companies Act, 2013 or may be decided by the CSR Committee of Philips India Limited.

The above list is illustrative and not exhaustive. CSR Committee shall be authorised to consider activities not included in this list. The activities will be specific to the areas depending on the need assessment for the people. As far as possible efforts can also be made to co-ordinate with similar CSR activities that are taken up by the Central or State Govt. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

IV. IMPLEMENTATION

- (a) The investment in CSR should be project based and for every project time framed periodic milestones should be finalized at the outset.
- (b) Project activities identified under CSR are to be implemented as far as possible, by Specialized Agencies.
- (c) Specialized Agencies could be made to work singly or in consultation with other agencies.

Such specialized agencies may include:

- i) Community based organization whether formal or informal.
- ii) Elected local bodies such as Panchayats
- iii) Voluntary Agencies(NGOs)
- iv) Institutes/Academic Organizations
- v) Trusts, Mission etc.
- vi) Self-help groups
- vii) Government, Semi Government and autonomous Organizations.
- viii) Standing Conference of Public Enterprises (SCOPE)
- ix) Mahila Mondals/ Samitis and the like
- x) Contracted agencies for civil works
- xi) Professional Consultancy Organization etc.

V. ACTIVITIES

Activities of the CSR Committee shall be guided by the terms of reference as approved by the Board as well mentioned under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013.

However, the activities of the CSR Committee will also involve the following:

- (i) Interact with the concerned State Officials/Govt. officials to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
- (ii) To decide the priority of the activities to be undertaken under CSR.
- (iii) To interact with the CSR Implementing agencies for determining the activities to be undertaken.



(iv) The Committee will monitor and review the progress of activities Undertaken/completed.

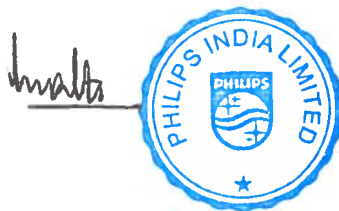
VI. MONITORING

PIL as well as subsidiaries shall include a separate/chapter in the Annual Report on the implementation of CSR activities/project including the facts relating to physical and financial progress.

1. Cost benefit and justification includes the amount of financial involvement, detailed project Report for which Project Appraisal have to be carried out by External Agencies/Third party Agency.
2. Utilization Certificate with statement of expenditure duly certified by an Authorized Auditor will be submitted by the Organization/Institution to whom CSR Fund is allocated.
3. Meticulous documentation relating to CSR approaches policies, programmes, expenditures, procurement etc. should be prepared and put in the Public Domain.
4. Maintenance of Assets created under CSR would be the Responsibility of the concerned local representative of the Society. Before any capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for maintenance of the Assets.

VII. ANNUAL AUDIT

Annual audit of all activities undertaken by the company would be done by the auditor. The CSR activities will be reflected in the Annual Report and Accounts of Philips India Limited under Social Overhead (CSR). The above guidelines would form the framework around which the CSR activities would be undertaken. Philips India Limited will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.



ANNEXURE -I

PHILIPS INDIA LIMITED

Terms of Reference for the CSR Committee

1. Constitution

The Committee has been established by resolution of the board of directors dated 28.03.2014 of the Company and is to be known as the Philips India Limited Corporate Social Responsibility or (PILCSR Committee).

2. Membership and Chairman

- 2.1 The members of the PILCSR Committee shall be appointed by the Board of Directors and shall comprise of the three directors.
- 2.2 The Board of Directors shall appoint a chairman from amongst the members of the PILCSR Committee (the "Chairman") and shall decide his or her period of office.
- 2.3 The PILCSR Committee may invite any other Director of the Company or any other employee/person to advise and/or to join meetings of the PILCSR Committee when required notwithstanding that they are not members of the PILCSR Committee.

3. Quorum

A quorum shall be two (2) members. A duly convened meeting of the PILCSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the PILCSR Committee.

4. Attendance at Meetings

- 4.1 No one other than the PILCSR Committee Chairman and other Committee members is entitled to vote at a meeting of the PILCSR Committee.
- 4.2 Should any Committee Member be absent from duly called meetings without sending a leave of absence , for three (3) consecutive meetings, recommendations will be made to BOD for that member to be replaced.
- 4.3 The chairman of the Company, Director, any head or executive and any other member of senior management may be called upon or shall be able to speak at any meeting of the PILCSR Committee by prior arrangement with the Chairman.





5. Secretary

The Secretary of the company shall be the Secretary of the PILCSR Committee who shall keep records of proceedings, membership and the dates of any changes to the membership of the PILCSR Committee.

6. Frequency of Meetings

Meetings shall be held at such times as the PILCSR Committee deems appropriate, and in any event shall be held not less than four (4) times a year.

7. Proceedings

7.1 Meetings of the PILCSR Committee shall be summoned by the Secretary of the CSR Committee at the request of the Chairman or any member thereof.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to each member of the PILCSR Committee and any other person required to attend not later than 24 hours prior to the date of the meeting.

7.3 The Secretary to the PILCSR Committee shall record the proceedings and resolutions of meetings of the PILCSR Committee and shall circulate the minutes of such meetings to all members of the PILCSR Committee

7.4 In the absence of the PILCSR Committee Chairman, those members present shall elect one of their number to chair the meeting.

8. Authority

8.1 The PILCSR Committee is authorised by the Board at the expense of the Company to take advise on any matter related to CSR policy or any other matter within its terms of reference, It is authorised to seek any information that it requires from any party in order to perform its duties.

8.2 The PILCSR Committee is authorised by the Board at the expense of the Company to obtain external professional advice and to secure the attendance of third parties with relevant experience and expertise at meetings of the PILCSR Committee if it considers this necessary.

8.3 The above terms of reference may be amended from time to time as required, subject to approval by the Board.

9. Duties

The responsibilities of the PILCSR Committee shall be to:

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- 9.1 Review, agree and establish the Company's PILCSR strategy and its implementation in practice and that the Company's social, environmental and economic activities are aligned with each other.
- 9.2 Develop and recommend for acceptance by the Board, policies on all aspects of PILCSR including Schedule VII of the Companies Act, 2013 and other PILCSR-related matters as may be determined by the PILCSR Committee from time to time.
- 9.3 Receive reports and review activities from executive and specialist groups managing PILCSR matters across the Group's operations.
- 9.4 Monitor compliance with the PILCSR policies throughout the Group and to review performance against agreed targets.
- 9.5 Consider other topics, as referred to it by the Board.

10. Sitting Fee

The members of the Committee shall be paid sitting for every meeting of the PILCSR Committee. The sitting fee amount shall be the same as for the other Committee Meetings of the Board.

11. Amendments

The terms of reference may be amended by a decision taken by the Board of Directors.

For and on behalf of
Philips India Limited


Rajiv Mathur
Director and Company Secretary
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