CORPORATE SOCIAL RESPONSIBILITY POLICY

1. APPLICABILITY

This policy will apply to all projects/programs undertaken as part of the KLA-Tencor Software India Private Limited's Corporate Social Responsibility ("CSR") activities and will be developed, reviewed, and updated by reference to relevant codes of corporate governance and international standards or best practices by the Board of directors of the company once in a year. The Board of directors may review and make changes to the policy at any other intervals in case of any change in the Companies Act, 2013.

All CSR Projects / Programs will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact, goodwill and recognition among all stakeholders of the Company.

2. POLICY STATEMENT

The policy statement of the KLA-Tencor Software India Private Limited is to positively impact the communities in which we live, work and do business. The Company carries out its CSR activities by building relationships with organizations, working to increase educational opportunities, improve health, and enhance community resources for those who need it most.

This CSR Policy ('Policy') governs the CSR activities of the Company in India. This policy has been drawn up in line with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

3. DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy will have the same meaning given in the Companies Act, 2013:

'**Act**' means the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

'**Annual Action Plan**' means the annual plan detailing the CSR projects/ activities, budget and expenditure allocated for each project/ activity for the year etc.

'**Board**' or '**Board of Directors**' means the Board of Directors of the Company.

'**Company**' means KLA-Tencor Software India Private Limited and wherever the context requires, will signify the Company acting through its Board.

'**CSR Budget**' means the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

'**CSR Committee**' means the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of two or more directors of the Company.

'**CSR Expenditure**' means all CSR Expenditure of the Company as approved by the CSR Committee, including the following:

(i) Contribution to CSR Projects which will be implemented and/ or executed by the Company;

(ii) Contribution to CSR Projects (including for corpus as required) which will be implemented and/or executed by any accredited implementing agency which may be a registered and accredited trust, any other Section 8 Company, Society or NGO or in collaboration with other Companies.

'**CSR Policy**' means the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

'**CSR Projects**' or '**Projects**' means Corporate Social Responsibility projects/ activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

'**FY**' means the financial year beginning from 1st April of a year to 31st March of the succeeding year.

'**Net profit**' means the net profit before taxes of a company as per its financial statement prepared in accordance with Section 198 and other applicable provisions of the Act, but will 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; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

'**Rules**' means the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

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

'**Society**' means a society registered under the Societies registration Act, 1860 or any other applicable law in India.

'**Trust**' means a Trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above will have the meaning assigned to it under the Act or the Rules.

4. <u>GOVERNANCE STRUCTURE</u>

The Company complies with the requirements of Section 135 of the Act and the Rules and has in place a CSR committee in addition to the Board of Directors.

4.1 Board of Directors

The role and responsibility of the Board of Directors towards CSR will include the following:

(i) Constitution of the CSR committee consisting of a minimum of two directors of the Company;

(ii) Approve the CSR Policy for the Company, as recommended by the CSR Committee and disclose contents of such Policy in the Board Report and also place it on the website of the Holding Company;

(iii) Ensure that the activities are as included in the CSR Policy of the Company are undertaken by the Company;

(iv) Provide recommendations and approval for the Annual Action Plan formulated and presented by the CSR Committee for spending of the prescribed CSR budget;

(v) Alter the recommended Annual Action Plan at any time during the FY, if required, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect;

(vi) Ensure that the Company spends, in every FY, at least 2% of the average net profits made during the three immediately preceding FYs, in pursuance, of its CSR Policy;

(vii) Ensure that the Company, treats the CSR spends i.e. the CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the Rules;

(viii) Specify in its Report the reasons for not spending the amount if the Company fails to spend such amount; and

(ix) Disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board of the Company on the website of the Holding Company.

4.2 CSR Committee

(i) **Composition:** At the time of formulating this CSR Policy, the members of the CSR Committee are as follows:

a. Virendra Arvind Kirloskar	-	Director
b. Dominic Gerald David	-	Director
c. Sejal Sood	-	Director

The CSR Committee shall be reconstituted by the Board of Directors as and when deemed necessary. Any such reconstitution shall be recorded through an addendum to this CSR Policy, which will form an integral part of the Policy.

(iii) **Meetings of the CSR Committee:** As per the Act, the CSR Committee shall convene its meeting at least once every FY.

(iii) **Notice for the CSR Committee meeting:** Notice of every CSR Committee meeting will be given to every member of the CSR Committee by e-mail or by any other electronic means at least seven days before the date of the meeting. CSR Committee meeting may be held at a shorter notice provided all the members of the CSR Committee provide their consent for shorter notice.

(iv) **Quorum:** The quorum for a meeting of the CSR Committee shall be one-third of its total strength or two members, whichever is higher. The members of the CSR Committee may invite additional members/invitees for the meeting as they may deem fit.

(v) **Minutes:** Minutes of every CSR Committee meeting to be signed by the Chairman within 30 days from the conclusion of such meeting.

(vi) **Chairman:** The members of the CSR Committee at every meeting will appoint one among the present members as the Chairman for that meeting.

(vii) **Role and responsibility:** As per the provisions of rule 5(2) of the rules, the CSR Committee will play the following role in fulfilling the Company's CSR objectives:

a. Formulating and recommending to the Board of directors an Annual Action Plan in pursuance of its CSR Policy:

   i. The list of CSR projects and 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 rule 4 (1).
   iii. The modalities of utilization of funds and implementation schedules for the projects or programmes.
   iv. Monitoring and reporting mechanism for the projects or programmes; and
   v. Details of need and impact assessment, if any, for the projects undertaken by the Company.

b. The Board of directors of the Company may alter the Annual Action Plan at any time during the FY, as per the recommendation of the CSR Committee based on a reasonable justification.

c. Formulate and recommend to the Board, the CSR Policy which will indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

d. Review CSR Policy;

e. Recommend the amount of expenditure to be incurred on the CSR activities; and

f. Monitor this Policy from time to time.

5. FOCUS AREAS FOR CSR ACTIVITIES:

The CSR activities may be undertaken directly by the Company or through eligible implementing agencies for activities that fall within the scope of Schedule VII read with Section 135 of the Act.

[1]The Committee while deciding on the CSR activities prescribed under Schedule VII of the Act must be interpreted liberally to capture the essence of the enumerated in the said Schedule.

Schedule VII and Section 135 of the Act (and as may be amended from time to time) prescribes the following permissible scope of the activities:

[1] *Please refer to MCA General Circular No. 14/2021 dated August 25, 2021.*

5.1 Hunger, Poverty, Malnutrition and Health:

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.

5.2 Education:

Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

5.3 Research and Development in fields of Science, Technology, Medicine and Engineering:

(i) 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.

(ii)

a. Contributions to public funded Universities;
b. Indian Institute of Technology (IITs);
c. National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE);
d. Department of Biotechnology (DBT);
e. Department of Science and Technology (DST);
f. Department of Pharmaceuticals;
g. Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH);
h. Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO);
i. Indian Council of Agricultural Research (ICAR); and
j. 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).

5.4 Rural Development Projects.

5.5 Slum area development.

5.6 Disaster Management:

Disaster Management including relief, rehabilitation and reconstruction activities.

5.7 Welfare measures of armed forces veterans:

Welfare measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.

5.8 Promotion of rural sports:

Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.

5.9 Contributions to relief funds:

Contributing 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 Govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.

5.10 Environmental Sustainability:

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.

6. EXCLUDED ACTIVITIES

As extracted from the Rule 2(d) of the Companies (CSR Policy) Rules, 2014 and FAQs issued by MCA vide General Circular No.14/2021 dated August 25, 2021[2], the CSR activities of the Company shall not include the following:

(i) Activities undertaken in pursuance of normal course of business of the Company;
(ii) Activities that benefit the employees of the Company and their families;
(iii) Any contribution to any political party;
(iv) Any contribution made outside India (except training of Indian Sports Personnel representing any State or Union territory at national level or India at international level);
(v) One-off events such as marathons / awards / charitable contribution / advertisement / sponsorship of TV programmes etc. and any other sponsorship activity deriving marketing benefits for the Company's products or services will not qualify as part of CSR expenditure;

[2] *https://www.mca.gov.in/Ministry/pdf/FAQ_CSR.pdf*

(vi) Activities carried out in fulfilment of any other statutory obligations under any law in force in India will not qualify towards CSR requirements.
(vii) Advertising journals, booklets, etc.
(viii) Any organization or purpose which would directly benefit KLA Corporation;
(ix) Congresses, symposiums, and meetings;
(x) Home-based childcare/educational services;
(xi) Athletics, clubs, radio/TV stations, Boy & Girl Scouts Troops, etc.;
(xii) Direct or Indirect contribution to individuals or for-profit entities or private schools;
(xiii) Memorials;
(xiv) Organizations that discriminate illegally by race, creed, gender, sexual orientation, age, religion, disability or national origin;
(xv) Political parties or candidates including political candidates, campaigns, lobbying and activities;
(xvi) Professional associations, labour organizations, fraternal organizations or social clubs;
(xvii) Purely social organizations;
(xviii) Religious organizations for religious purposes;
(xix) Direct scholarships or scholarships benefitting a KLA employee or family member;
(xx) Special fundraising events and ticket purchases (i.e., dinners, walks, runs, rides, etc.);
(xxi) Sporting events (tickets and sponsorships);
(xxii) The benefit of any particular individual, including individual travel and/or study;
(xxiii) Travel expenses; and
(xxiv) Trips, tours, or cultural exchange programs.

7. GEOGRAPHIC REACH

The provisions of section 135(5) of the Act, prescribe the Company to give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to the local area and areas around the branch offices of the Company for spending the amount earmarked for CSR activities. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

8. CSR EXPENDITURE

8.1 CSR Budget

As per the provisions of section 135(1) of the Act, the Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding FYs.

The surplus arising out of the CSR activity will not be part of business profits of the Company. and shall be utilised only for CSR purposes. The corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

In the event the holding company or any of the group companies of the Company incorporated outside India contributes funds for undertaking CSR activities of the Company, such contribution:

(i) shall be subject to compliance with the provisions of the Foreign Contribution (Regulation) Act, 2010 and the rules framed thereunder; and

(ii) shall be considered as a voluntary contribution made in addition to the CSR obligation of the Company, as prescribed under Section 135 of the Act and the rules made thereunder. Accordingly, such contribution shall not be accounted for or set off against the statutory CSR expenditure required to be incurred by the Company under the applicable provisions of the Act.

8.2 CSR activities undertaken by the Company

The Company may undertake the CSR activities as are identified and approved by the CSR Committee, provided that such activities fall within the scope of Clause 5 of this Policy. The CSR committee may allocate such CSR budgets for undertaking such CSR projects/programs that fall under the Company's focus areas.

8.3 Implementing Agency

The CSR budgets are allocated to implementing agency identified by the CSR Committee, to utilize the CSR amount on suitable CSR projects/programs that fall under the Company's focus areas. The implementing agency should be identified in accordance with clause 10 of this Policy and after necessary assessments have been conducted.

8.4 Excess CSR Amount

In the event that the Company spends excess amount than the requirement provided under the Act, such excess amount may be set off against the requirement to spend up to immediate succeeding three FYs subject to the conditions that:

(i) the excess amount available for set-off will not include the surplus arising out of the CSR activities; and

(ii) the Board of the Company will pass a resolution to that effect.

8.5 Unspent CSR Amount

In the event that, the Company spends less than the amount required and/or the CSR amount is not spent in its entirety, as required under their CSR obligation in that FY, the following action to be taken:

(i) The CSR Committee to pass a CSR resolution identifying the reasons for the unspent amount;

(ii) Report the unspent amount in the Company's CSR Annual Report;

(iii) The Board of the Company to report the unspent amount in its Annual Report; and

(iv) Transfer such unspent amount to any Funds specified in Schedule VII, within a period of 6 (six) months of the expiry of the FY.

8.6 Ongoing Project

In cases the Company has identified an ongoing or long-term CSR project(s):

(i) The Board of directors must pass a Board Resolution to approve the project as 'Ongoing' if it has not been already identified as an ongoing project.

(ii) The Company shall open a separate bank account in the name of the Company titled "KLA-Tencor Software India Private Limited Unspent CSR Account" with a scheduled bank for the relevant FY, in which the CSR Committee and the Board of Directors have approved any ongoing or long-term CSR project(s) and transfer such unspent/ unutilized amount within a period of 30 (Thirty) days from the end of FY i.e. by 30 April.

(iii) Ensure completion of the project within 3 (Three) years from the date of such transfer to the 'unspent CSR bank account' of the Company.

(iv) In the event that the Company makes any surplus or profit from pursuing its CSR Projects / Programs, these will not form part of the business profit and will be invested back into CSR Projects or will 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 6 (six) months from the expiry of the FY.

(v) The Company may spend on undertaking impact assessment for the applicable projects as required by the Act, up to 2% of the total CSR expenditure for that financial year or INR 50 lakh, whichever is higher. The Company may make contributions to Non-Government Organisation (NGOs) with CSR Registration towards its corpus for projects approved by the Board. The CSR Committee will recommend the CSR budget to the Board annually, for its approval and guide the CSR Implementation Team for effective execution.

(vi) The Company may spend up to 2% of the total CSR expenditure in one FY or INR 50 lakh, whichever is lesser, on undertaking impact assessment for the applicable projects, as required by the Act.

(vii) The Board of Directors will satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person heading the finance function of the Company will certify in the manner approved by the Board on a periodic basis.

9. ANNUAL ACTION PLAN

9.1 The CSR Committee will formulate and recommend to the Board an Annual Action Plan on or before June 30, of every year, which will include the following:

(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;

(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) Details of need and impact assessment, if any, for the projects undertaken by the Company.

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

10. PARTNERING ORGANIZATIONS

As per the provisions of rule 4 of the rules, the CSR initiatives will be implemented either directly by the Company or through implementing agencies (NGOs).

10.1 The implementing agencies being considered for a partnership will need to comply with the following criteria:

(i) The NGO can be a company established by the Company either singly or along with any other company and can be a company established under Section 8 of the Act/ Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961; or

(ii) The NGO can be a company registered under Section 8 of the Act/ Registered Public Trust / Registered Society with a registration under Section 12A and Section

80G of the Income Tax Act, 1961 and with an established track record of at least 3 years in undertaking similar CSR activities; or

(iii) The NGO can be an entity established under the act of Parliament or State Legislature; or

(iv) The NGO can be an entity established by the Central or State Government.

10.2 The NGO / Agency will need to have a permanent office in India.

10.3 All implementing partners sufficing any of the above-mentioned conditions, will need to register themselves with the Central Government by filing eForm CSR-1 electronically with effect from April 01, 2021, and obtain a unique CSR Registration Number from the Ministry of Corporate Affairs.

10.4 The Company may also collaborate with other Indian companies (including associate/affiliate companies) to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

10.5 While partnering with NGO for CSR activities, the following procedure is required to be adhered to:

(i) Formulating and recommending a letter of contribution for undertaking CSR Activities through Partnering NGO's along with the project plan submitted by the foundation.

(ii) Wherever required, execution of memorandum of understanding which would detail the key roles and responsibilities of each of the parties. The contribution would be for a particular project, or projects identified by the Company.

(iii) The disbursement will be made only upon receipt of request specifying the amount that is required and the activity for which it is required.

The Company while making any contribution may specify the activities for which it is made, and the said amount and any interest earned on such amount will be utilized towards such activities only.

11. MONITORING MECHANISM

11.1 To ensure effective implementation of the CSR activities undertaken, a monitoring mechanism will be put in place by the CSR team. The same will be in accordance with the Annual Action Plan, which, as stated above, will be annually recommended by the CSR

Committee and approved by the Board. The CSR Committee will receive periodic updates on progress reports of CSR activities of the Company.

11.2 The Board of Directors will satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person heading the finance function will certify to that effect.

11.3 In case of an ongoing project, the Board of Directors will monitor the implementation of the project with reference to the approved timelines and year-wise allocation and will be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

12. IMPACT ASSESSMENT

12.1 If the Company having average CSR obligation of INR 10 Crore (Indian Rupees Ten crore only) or more in pursuance of subsection 135(5) of the Act, in the three immediately preceding FYs, the Company will undertake impact assessment (through an [3]independent agency) for CSR projects that have outlays of INR 1 Crore or more and have been completed at least one year before undertaking the impact study and the impact assessment reports will be placed before the Board and disclosed as per the Act and Rules.

12.2 The Company will conduct impact studies on a periodic basis, by itself or through independent professional third parties / professional institutions, especially on the strategic and high value programs.

13. DISCLOSURES AND REPORTING

13.1 As per the provisions of section 135 of the Act read with the Rules, the Company will disclose such information as mandated by law in the annual report on CSR which will also be annexed to the Board's Report of the Company.

13.2 The Board of directors of the Company will ensure to file eForm CSR-2 - CSR Annual return with the MCA for every FY.

13.3 Additionally, the Company does not maintain a website. This Policy will be uploaded on the website of the Holding Company along with the disclosure on the composition of the CSR committee, CSR projects undertaken by the Company and/or any other information as may be required by law.

[3] *Independent agencies are professional entities that carry out due diligence on a company's CSR activities and evaluate their impact on society.*

14. NON-APPLICABILITY OF THIS POLICY.

14.1 In the event the Company does not meet the thresholds prescribed under Section 135(1) of the Act, read with the applicable rules for a FY, the Board shall pass an appropriate resolution to record the non-applicability of the said provisions. The Company shall also disclose such non-applicability in its annual CSR report, if applicable, and in the Board's Report for the relevant financial year.

Date last updated: *17th day of June 2026*

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