



# American Express Banking Corp. Policy

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# American Express Banking Corp. Policy

## 1.0 OVERVIEW AND PURPOSE

American Express Banking Corp. India (“AEBC” or the “Bank”) believes that serving our communities is not only integral to running a business successfully; it is part of our individual responsibilities as corporate citizens. The mission of our program is to bring to life the AEBC value of good corporate citizenship by supporting diverse communities in ways that enhance the bank's reputation with employees, customers, business partners and other stakeholders.

The purpose of this India Corporate Social Responsibility Policy (hereinafter referred to as “India CSR Policy” or “the Policy”) is to ensure that the India CSR obligations of the Bank are executed in accordance with the provisions of the Companies Act, 2013, contributions are consistent with the objectives of American Express Company community investment and disbursed under the approval of the AEBC India Country Executive Committee (CEC).

## 2.0 POLICY SCOPE

This Policy is applicable to AEBC India for compliance of its CSR obligation in accordance with the provisions of the Companies Act 2013

## 3.0 KEY DEFINITIONS

In this Policy, unless the context otherwise requires

- ‘Act’ means Companies Act, 2013;
- ‘Corporate Social Responsibility’ means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and implementing rules;
- ‘Ministry’ means the Ministry of Corporate Affairs;
- ‘Net Profit’ for the section 135 and these rules shall mean net profit before tax as per books of accounts and shall not include profits arising from branches outside India.
- 2% CSR spending would be computed as 2% of the average net profits made by the bank during every block of three years. For the first CSR reporting period, the Net Profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31 March 2014.
- Tax treatment of CSR spend will be in accordance with the IT Act as may be notified by Central Board of Direct Taxation (CBDT).
- “CSR Committee” means India Corporate Social Responsibility Committee of AEBC, formed in compliance with section 135 of the Act and implementing rules.
- Words and expressions used in this Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.



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- Charitable Organization, Charity or charities: An organization which qualifies and fulfills the requirements under the Companies Act, 2013 including applicable Rules made thereunder for the time being in force and is eligible to receive funds for CSR activities under the Act.

### 4.0 ROLES AND RESPONSIBILITIES

The AEBC India CSR Committee has the following roles and responsibilities:

- i. Review and approve all requests for charitable contributions and ensure that the recipient organizations are eligible for receiving funds for CSR activities as required under the provisions of the Companies Act, 2013.
- ii. Ensure compliance with the CSR rules and regulations as applicable and amended from time to time.
- iii. Ensure that contributions are aligned with the American Express's community reinvestment programs and in accordance with the provisions of Companies Act, 2013.
- iv. Ensure that all payments to charities, whether charitable contributions or not, are properly accounted for.
- v. Recommend the amount of expenditure to be incurred on CSR activities.

### 5.0 POLICY REQUIREMENTS

#### 5.1 India CSR Committee, CSR Spend and CSR Reporting Requirements

**India CSR Committee:** AEBC India CSR Committee constituted in accordance with the Provisions of the Companies Act, 2013 including any other applicable provisions, rules or guidance for the time being in force shall have the responsibilities of oversight and compliance of the provisions relating to CSR. The constitution of the India CSR Committee members is described in AEBC India Corporate Social Responsibility (CSR) Charter.

**Annual CSR Spend:** The India CSR Committee shall finalize the amount required to be spent on CSR activities and projects including the manner of expenditure in that financial year. The amount so required, currently 2% of average net profit of last three years to be spent shall be calculated in accordance with the provisions of the Companies Act, 2013 or any rules made there under and for the time being in force.

**India CSR Committee Meetings:** The India CSR Committee shall meet as and when required but at least two (2) times each year. The India CSR Committee shall, inter alia, review the ongoing CSR spends, projects, compliance with India CSR Policy, Compliances and reporting requirements under the provisions of the Companies Act, 2013.



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**Miscellaneous:** The India CSR Committee shall act in accordance with the requirements of the Companies Act, 2013, other applicable internal policies including any incidental and ancillary matters as may be deemed necessary and required.

**Annual CSR Reporting:** The India CSR Committee shall prepare and provide an annual report with the India CEC and the AEBC Board in the format provided in Appendix I

### **5.2 CSR Activities and Contributions**

See Appendix II

### **5.3 India CSR Committee Composition**

See Appendix III

### **5.4 Surplus**

Any surplus arising from any CSR projects, programs or activities shall not form part of business profits of the Bank.

### **5.5 Building CSR Capacities**

The Bank may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years in accordance with the provisions of the Companies Act, 2013 including any rules made thereunder for the time being in force. Any such expenditure shall be eligible as CSR expenditure subject to a maximum of 5% of the total CSR expenditure of the Bank in one Financial Year or such amount or percentage of total CSR expenditure as may be prescribed under the Companies Act, 2013 from time to time.

### **5.6 Expenses that will not qualify as CSR contributions**

Following shall not be considered as CSR activity:

- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- Contribution or Expenditure of any amount directly or indirectly that benefits only the employees of AEBC or their families;
- Contribution or Expenditure of any amount directly or indirectly for any CSR projects, programs or activities undertaken outside India.



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### 6.0 POLICY EXCEPTION/CONFLICT/INTERPRETATION RESOLUTION

It is the responsibility of every individual subject to this policy to escalate to the Policy Sponsor or Policy Overseer any conflicts, interpretation issues, or policy gaps/inadequacies associated with AEBC India CSR Policy.

All requests for exceptions to policies, or the related procedures, must be formally approved by the Policy Approvers, as outlined in Section 7.0 of this Policy. Exception requests must include an Action Plan and Rationale and must carry either an Expiration or Review Date. Any identified exception to a policy that has not yet been approved must be escalated to the respective Policy Overseer immediately. Approved policy exceptions do not constitute policy non-compliance.

It is the responsibility of the Policy Sponsors to define their Policy's Exception / Conflict / Interpretation Resolution Requirements. The Policy Custodian (AEBC India Controller) will maintain documentation of all exceptions and will regularly review these exceptions to assess whether a policy change is required and to ensure ongoing policy compliance.

The AEBC Chief Operating Officer retains the authority to resolve conflicts surrounding policy management and policy framework, with appropriate AEBC leadership, should they arise.

### 7.0 ENFORCEMENT OF ISSUED POLICIES AND PROCEDURES

All employees and agents of AEBC are responsible for complying with applicable official policy, procedure or a standard/program. AEBC Senior Management and Officers are ultimately responsible for ensuring adherence to policy within AEBC. Internal auditors and control groups, as applicable, will review compliance with policy and procedure. **Noncompliance with issued policies or procedures is a breach of the terms of employment and may lead to disciplinary actions which may include termination of employment, or third-party agreement.**

AEBC Policies do not take precedence over local law, yet still must be aligned to management policy requirements.

### 8.0 POLICY IMPLEMENTATION

Management will oversee that procedures necessary to implement this policy are established for AEBC India.

The policy is effective as of the date on the cover page.



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### 9.0 RELATED POLICIES, GUIDELINES AND SUPPORTING DOCUMENTS

The following is a list of related policies and related guidelines:

- Section 135(1), Companies Act 2013
- Companies (Corporate Social Responsibility Policy) Rules, 2014

### 10.0 POLICY APPENDICES

#### Appendix I: Format for the Annual Reporting on CSR Activities to the Board

1. A brief outline of the Bank's India CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the India CSR Policy and projects or programs.
2. The Composition of the India CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
5. Details of CSR spent during the financial year
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.
6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report
7. A responsibility statement of the India CSR Committee that the implementation and monitoring of India CSR Policy, is in compliance with CSR objectives and Policy of the company

S.No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure Up to to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
	TOTAL						

\*Give details of implementing agency:



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Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman India CSR Committee)	Sd/- (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (Wherever applicable)
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### Appendix II: CSR Activities and Contributions

At American Express, the powerful backing we provide our customers is at the heart of our brand promise. Our service ethos has been central to who we are since our founding in 1850, and it extends beyond our customers to include the way we treat our colleagues, the communities in which we live and work, and the planet we all call home. In conducting our business around the world, we work hard to be environmentally conscious, socially responsible, a compassionate employer, and, most of all, a company that people can trust to do what's right

AEBC India's CSR activities are focused towards supporting visionary nonprofit organizations that are:

- Encouraging community service where our employees and customers live and work
- Preserving and sustaining unique historic places for the future.

#### Theme 1: Community Service

Encouraging community service where our employees and customers live and work

- Encourage good citizenship by supporting organizations that cultivate meaningful opportunities for civic engagement by our employees and members of the community, whether as volunteers, donors, voters or patrons.
- Natural disaster prevention and post-disaster rebuilding
- Promotion of education
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief
- Environmental sustainability and protection of flora and fauna, conservation of natural resources
- Education programs including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled

#### Criteria:



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Support programs that encourage community service and civic participation, and deliver measurable outcomes that have a lasting impact on communities through one or more of the following:

- Building capacity of its own personnel as well as those of its implementing agencies, charitable institutions, charities etc by assisting them in developing, engaging and retaining community members as volunteers.
- Engaging community members and American Express employees in ongoing service. This may involve a variety of activities from promoting volunteerism or participation in local civic organizations.

### **Theme 2: Historic Preservation**

Protecting, preserving, and sustaining unique historic places and works of art and culture for the future

- Support organizations and projects to protect, preserve or rediscover major historic sites and monuments in order to provide ongoing sustainable access and enjoyment for current and future audiences. The programs we support include historic landmarks and public spaces with an emphasis on preserving sites that represent diverse cultures within India.
- Support organizations and projects that preserves, protect or rediscover works of art; promote and develop traditional arts, culture and handicrafts

#### **Criteria:**

- Restoring historic places to ensure ongoing public access and interaction with the site(s).
- Preserving historic places for future or innovative use.
- Partner with World Monuments Fund to identify endangered heritage sites from the Watch List

Sustaining historic places by creating systems to manage increased visitor activities and environmental impacts.