

Policy on Succession Plan for Appointment of Board, KMP and Senior Management

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Introduction

The Securities and Exchange Board of India (“SEBI”) has revised the code of corporate governance for listed entities to bring it in line with relevant provisions of the Companies Act 2013 (“**Companies Act**”). Pursuant to Regulation 17(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI Listing Regulations**”), the board of directors of a listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management of the company. This is a significant attempt to ensure that investors do not suffer due to sudden or unplanned gaps in leadership/management of the company. It is mandatory for the board of directors of all listed companies to develop an action plan for successful transition of key executives.

As per Section 178 of the Companies Act and Regulation 19 read with Schedule II, Part D of the SEBI Listing Regulations, the Company is required to constitute a nomination and remuneration committee (“**NRC**”), and formulation of a succession plan for the Board and senior management is an objective of the NRC.

Perpetual succession is a defining facet of a corporate entity, signifying that while the personnel and other resources may change over time, the company itself continues to exist indefinitely. This principle envisages that employees, including leadership will not remain with an organization indefinitely. Recognizing this inevitability, it necessitates the formation and existence of an orderly succession planning framework in an organization. Devising and strategizing proactive succession planning methodologies therefore, forms one of the important functions of the human resource department of an organization, ensuring smooth transition with little disruption. Succession planning is a necessary tool for an organization to ensure its continued effective performance through leadership continuity.

In this regard, CleanMax Enviro Energy Solutions Limited (“**Company**”) has adopted the policy on succession planning for the board, key managerial personnel and senior management (“**Policy**”), which has been approved by the NRC at its meeting held on 13 August 2025 and by the Board of Directors (“**Board**”) at its meeting held on 14 August 2025.

This Policy shall come into force with effect from the date on which the Board approves this Policy.

Definitions

- “**Company**” shall mean CleanMax Enviro Energy Solutions Limited.
- “**Board of Directors**” or “**Board**” means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI LODR Regulations, as constituted from time to time.
- “**Key Managerial Personnel**” or “**KMP**” shall mean key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act.

- **“Listed Entity”** means any entity which has listed its securities on recognized stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).
- **“Listing Regulations”** shall mean an agreement entered into between the Company and the recognized stock exchange(s) wherein the securities of the Company are listed pursuant to the SEBI LODR Regulations.
- **“Policy”** means this policy on ‘Succession Planning for the Board, KMP and Senior Management’ including any amendments, if any made from time to time.
- **“Senior Management”** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board, and shall also comprise of all the members of the management one level below the chief executive officer or managing director or whole time director or manager (including chief executive officer and manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads of the Company, by whatever name called along with the company secretary and compliance officer and the chief financial officer of the Company.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, the Companies Act and rules and regulations made thereunder, and/or any other applicable law or regulation to the extent applicable to the Company, as amended from time to time.

Objectives

The objectives of this Policy shall, *inter-alia*, include the following:

- a) To identify and nominate suitable candidates for the Board’s (including NRC) approval to fill in vacancies which arise in the Board, from time to time, in accordance with applicable laws.
- b) To ensure that the Company has a well-defined and actionable plan to support the operational and service continuity in the event of a vacancy on the Board, or in the positions of KMP’s, Senior Management or key business personnel,
- c) To facilitate systematic and long-term development of individuals within the senior management level, enabling timely replacement in case of death, disability, retirement, or any other unexpected or unforeseen circumstances.

Applicability

This Policy shall be applicable for succession planning of the managing director/whole-time director/ executive directors, non-executive directors, independent directors and other members of the Board and senior management.

Succession Plan for the Board, KMP and Senior Management

The NRC of the Company shall periodically oversee and review succession planning across the Board and Senior Management levels, from time to time. Further, the NRC shall make recommendations on the same to the Board, as per regulatory requirements and organizational needs.

i) Succession Plan for the Board

The NRC shall proactively assess future succession requirements for Board positions and undertake due diligence process to determine and evaluate the suitability of every person who is being considered for being appointed or re-appointed as a director of the Company. The evaluation criteria shall be based on educational qualification, relevant professional experience, track record, reputation etc.

The NRC of the Company shall consider the candidature of the directors as per the Companies Act, SEBI Listing Regulations and then submit recommendations to the Board for all necessary approvals. Accordingly, the appointments, reappointments, removal, tenure of the directors, managing directors, chairman, whole-time directors shall be governed by the 'Nomination and Remuneration Policy' of the Company.

ii) Succession Plan for KMP and Senior Management Personnel

Based on the inputs received from the human resource department of the Company, the NRC shall periodically review any existing or anticipated vacancies for Key Managerial Personnel and Senior Management, including those which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel and Senior Management, the NRC shall in consultation with the investor director/s and the Board chairman evaluate the suitability of any person considering various parameters, including: educational qualification, experience, age, health, leadership qualities, suitability to external market requirement / expectation etc. Recommendations regarding succession shall be made to the Board well before such vacancy arises to facilitate smooth transition and minimal business disruption.

The NRC shall also identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The NRC may utilize the services of professional search firms, as required to assist in identifying and evaluating potential candidates.

In the event of any unexpected or unforeseen vacancies in respect of any member in the core management team, the next-in-line person as per the organization chart and hierarchy shall assume interim charge of the position, pending a formal appointment under the terms of this Policy.

In addition to the above, the appointment of Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companies Act (including the rules made there under), SEBI Listing Regulations and guidelines issued by the Reserve Bank of India.

Review of the Policy

The Board along with authorized individuals or designated committees, shall periodically review this Policy. Any amendments / modifications to the Policy shall be subject to approval from the Board and such amendments shall be in compliance with applicable laws, rules, and regulations as they evolve.

In the event that any relevant authorities issue amendments, clarifications, circulars, or similar directives that conflict with any of the terms of this Policy, such directives shall take precedence until this Policy is amended to reflect the same.

The Board has the power to amend or replace this Policy based on recommendations received from the NRC.

Confidentiality

All individuals responsible for executing and implementing this Policy shall ensure strict confidentiality of the deliberations, assessments and decisions with regard to the prospective candidates. Disclosure of such information is permitted only if required to prepare the selected individuals for the anticipated roles, however such disclosure to selected individuals shall be made responsibly and discreetly.