



CLEAN MAX ENVIRO ENERGY SOLUTIONS LIMITED
POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING
WITH RELATED PARTY TRANSACTIONS INCLUDING MATERIAL MODIFICATIONS

Approved on 29 June 2026

1. **The Board of Directors (“Board”) of Clean Max Enviro Energy Solutions Limited (formerly known as Clean Max Enviro Energy Solutions Private Limited) (“Company”) has Preamble:**
- 1.1. adopted the following Policy and procedures with regard to Related Party Transactions.

2. **Scope and Purpose**

- 2.1. Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of a company and its shareholders. Considering the requirements for approval of Related Party Transactions as prescribed under the Act (*defined below*) read with the Rules framed there under and Regulations 23 read with 2(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) as amended from time to time, the Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all Related Party Transactions. SEBI Listing Regulations requires the Company to formulate a policy on materiality of Related Party Transactions and dealing with Related Party Transactions including material modifications (“**the Policy**”).
- 2.2. Further, the Company is primarily engaged in the business of power generation and the supply of green energy to commercial and industrial (C&I) customers under the group captive provisions of the Electricity Act, 2003 read with the Electricity Rules, 2005, as amended. By the very nature of the group captive structure, the Company routinely enters into arrangements with special purpose vehicles (“**SPVs**”) and the customers (*each, an offtaker*) holding equity in such SPVs, which qualify as related parties of the Company and/or its subsidiaries.
- 2.3. In the light of the above, this Policy has been adopted by the Board, based on the recommendation of the Audit Committee.

3. **Objective**

- 3.1. The objective of this Policy is to set out manner of dealing with and disclosing the transaction between the Company and its related parties and materiality thresholds as required under the Act, SEBI Listing Regulations and the Industry Standards specified by SEBI read with and any other laws and regulations as may be applicable to the Company.

4. **Definitions.**

- 4.1. “**Act**” means the Companies Act, 2013 and the rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- 4.2. “**Audit Committee**” shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.
- 4.3. “**Arm’s Length**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 4.4. “**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.
- 4.5. “**Industry Standards**” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction” as notified by SEBI vide its circular dated 26 June 2025, as amended from time to time.
- 4.6. “**Material Modification(s)**” means and include any modification to an existing Related Party Transactions, in aggregate with a Related Party, having variance of 25% in transaction value of the

relevant previously approved Related Party Transaction by the Audit Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee.

- 4.7. **“Material Related Party Transaction(s)”** means a transaction with a Related Party which is material in accordance with the thresholds as prescribed in the SEBI Listing Regulations.
- 4.8. **“Ordinary Course of Business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per memorandum of association and articles of association. The Board may lay down principles from time to time for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.
- 4.9. **“Related Party”** means a related party as defined under the Act and the rules framed under and SEBI Listing Regulations
- 4.10. **“Related Party Transaction(s)”** means the transaction as prescribed under Regulation 2(1)(zc) of SEBI Listing Regulations, Section 188 of the Act and includes any Material Modifications.
- 4.11. **“Unforeseen Related Party Transaction”** means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.

5. Interpretation

- 5.1. Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Listing Regulations, Accounting Standards or any other relevant legislation / law applicable to the Company.
- 5.2. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Board and the decision of the Board in such a case shall be final. In interpreting such term /provision, the Board may seek the help of any of the officers of the Company or an outside expert as it deems fit.

6. Manner of Dealing with Related Party Transaction

6.1. Identification of Related Parties:

- 6.1.1. The Company shall identify related parties as per the definition provided in the Act and SEBI Listing Regulations. The Company shall obtain the list of related parties of its Subsidiary companies as per the definition provided in the Act and SEBI Listing Regulations. The Company shall regularly verify and update the Related Party list and review and confirm (at least once a quarter) in accordance with the Act and SEBI Listing Regulations.

6.2. Identification of Related Party Transactions:

- 6.2.1. The Company will identify the Related Party Transactions as per the applicable laws, which require consent of the Audit Committee, Board of Directors, and shareholders, as the case may be. The Company will categorized them into broad categories e.g. Contract and arrangement relating to procurement of goods and availing of services, providing of corporate guarantees, etc. Any other Related Party Transactions identified during the periodic review not covered under any specific broad category shall be independently reviewed, approved and included for confirmation as a part of Related Party Policy mechanism. The Company shall report the transactions including but not limited to aforementioned category entered into with related parties and put the same for necessary approvals

required as per the applicable law.

- 6.2.2. Management shall provide the Audit Committee, the Board and/or the shareholders, as applicable, such information as maybe required under the Act, SEBI Listing Regulations, including circulars and master circulars issued thereunder.

7. Procedure for Approval of Related Party Transaction

7.1. Approval of the Audit Committee

- 7.1.1. Unless otherwise provided under applicable laws, all the transactions which are identified as Related Party Transactions and Material Modifications/ subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Act and/or SEBI Listing Regulations (as applicable). The Audit Committee shall consider all relevant factors before granting its approval to the proposed transaction.
- 7.1.2. The Audit Committee shall also approve Related Party Transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value of the proposed transaction(s) exceeds the thresholds as prescribed under the SEBI Listing Regulations.
- 7.1.3. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature, subject to such criteria/conditions as mentioned under Regulation 23(3) of SEBI Listing Regulations or any other applicable provisions and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- 7.1.4. The Audit Committee may also grant omnibus approval for Unforeseen Related Party Transactions in the manner specified under the SEBI Listing Regulations.
- 7.1.5. Audit Committee shall review the following:
- (i) details of Related Party Transactions entered into by the Company pursuant to the Omnibus Approval accorded, on a quarterly basis; and
 - (ii) status of long-term (more than one year) or recurring transactions, on an annual basis.
- 7.1.6. Only those members of Audit Committee who are Independent Directors will approve Related Party Transactions. Any member of Audit Committee having a potential interest in the proposed Related Party Transaction will recuse himself and abstain from discussion and vote on the proposal for approval of the said transaction.

7.2. Approval of the Board:

- 7.2.1. As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the Ordinary Course of Business or not on an Arm's Length basis, are placed before the Board for its approval.
- 7.2.2. In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:
- (i) Transactions which may be in the Ordinary Course of Business and at an Arm's Length basis, but which are, as per the Policy, determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

- (ii) Transactions in respect of which the Audit Committee is unable to determine whether they are in the Ordinary Course of Business or at Arm's Length basis and decides to refer the same to the Board for approval;
- (iii) Transactions which are in the Ordinary Course of Business and on an Arm's Length basis, but which as per Audit Committee requires Board approval;
- (iv) Material Related Party Transactions and subsequent Material Modifications thereto laid down in the Policy, which are intended to be placed before the shareholders for approval.

7.3. Approval of the Members:

- 7.3.1. All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders through an ordinary resolution. For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a Related Party to the particular transaction or not.

Provided that the omnibus approval granted by the shareholders for Material Related Party Transactions and subsequent Material Modifications in an annual general meeting shall be valid till the date of the next annual general meeting held as per the provisions of the Act and SEBI Listing Regulations.

Provided further that in case of omnibus approvals for Material Related Party Transactions and subsequent Material Modifications, granted by the shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

- 7.3.2. In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the Ordinary Course of Business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.
- 7.3.3. Notwithstanding anything contained in this Policy, the requirement of prior approval of the shareholders for Material Related Party Transactions, including any subsequent Material Modifications thereto, shall not be applicable in respect of transactions which are exempted from such requirement under Regulation 23(5) of the SEBI Listing Regulations, as amended from time to time.

8. **Pricing of Related Party Transactions**

- 8.1. Related Party Transactions shall be undertaken on an Arm's Length basis, where applicable, and shall be supported by such information, documents or confirmations as maybe required by the Audit Committee, Board or shareholders, as applicable.

9. **Related Party Transactions not approved under this policy**

- 9.1. The members of the Audit Committee, who are independent directors, may ratify the Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier. Ratification is subject to certain conditions as specified in the SEBI Listing Regulations. The failure to seek ratification of the Audit Committee shall render Related Party Transactions voidable at the option of the Audit Committee and if the transaction is with a Related Party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.
- 9.2. Further, if any contract / arrangement is entered into by a Director or any other employee without obtaining the consent of the Board / shareholders (by a Resolution) under Section 188(1) of the Act,

and if it is not ratified by the Board / shareholders, as the case may be, within three months from the date on which such contract / arrangement was entered into, such contract / arrangement shall be voidable at the option of the Board / shareholders, as the case may be, and if the contract / arrangement is with a related party to any Director, or is authorised by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it, in accordance with the Act.

10. Reporting and disclosure

- 10.1. Appropriate disclosures as required under the applicable laws shall be made in its annual returns, annual reports, financial statements, Board's report and at such other places and to the exchanges or to such other authority as may be prescribed under the relevant applicable laws.
- 10.2. The Policy shall be disclosed on the website of the Company, and a web link thereto shall be provided in the annual report of the Company.

11. Policy Review and Amendment

- 11.1. In case any provision of this Policy is contrary to or inconsistent with the provisions of the applicable laws, the latter shall prevail.
- 11.2. The Board may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy based on recommendation of Audit Committee.
- 11.3. The Policy shall be reviewed by the Board at least once every three years and updated as may be required from time to time.
- 11.4. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. A note in relation to such changes shall be placed in subsequent meeting of the Board.
- 11.5. A note in relation to such changes shall be placed at a subsequent meeting of the Board.