

# CleanMax<sup>TM</sup>

POWERING SUSTAINABILITY

Clean Max Enviro Energy Solutions Private Limited  
Anti Money Laundering and Trade Sanctions Policy

May 2023



Description	The policy is to provide rules and guidelines to be adopted and followed by Clean Max Enviro Energy Solutions Private Limited and its subsidiaries and joint ventures and its intra-group entities ("Clean Max" or "CMES") its employees, and any third-party contractors appointed by CleanMax (to the extent as set out in this document).
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**Versions and History**

Version	Date	Summary of Changes
1.0	25 May 2023	Version 1



## I. Introduction

This Anti-Money Laundering (“**AML**”)<sup>1</sup> and Trade Sanctions Policy (the “**Policy**”) applies to all directors, officers, employees and temporary workers<sup>2</sup> (collectively, “**you**”) of Clean Max. This Policy should be read in conjunction with the CMES’s Code of Business Conduct and Ethics.

## II. Zero Tolerance Approach to Money Laundering and Trade Sanctions Noncompliance

Clean Max has built a reputation for conducting business with honesty and integrity. It is vital for us to maintain this reputation to ensure confidence in our business by customers, clients, investors, investees and other persons. It is integral to our business that CleanMax promote a zero-tolerance approach and not be involved in, or otherwise facilitate, any financial crimes of any kind.

Money laundering refers to the process of disguising the true source of illegally obtained funds, usually by integrating the funds into otherwise legitimate businesses or transferring the funds through a series of complex financial transactions. The proceeds of illegal activities such as bribery or corruption are often disguised through money laundering. For purposes of this Policy, references to “money laundering,” also include terrorist financing, which is the use of money to support terrorist activities, whether or not the funds are obtained illegally.

Governments in certain countries where Clean Max does business also maintain lists of individuals, entities and countries with whom companies may not do business. Clean Max must comply with these requirements that prohibit or limit our ability to transact with certain counterparties.

Certain regulations require Clean Max to have systems and controls in place to ensure that Clean Max is able to identify, assess, monitor, and manage money laundering risks and trade sanctions requirements. Clean Max may face regulatory censure and potential prosecution should Clean Max fail to adequately establish and implement risk-based systems and controls to mitigate the risks of financial crime.

## III. Know-Your-Counterparty

A key aspect of mitigating potential money laundering and trade sanctions risks is to know-your-counterparty (“**KYC**”). CleanMax adopts a risk-based approach to due diligence and KYC, meaning that, where deemed appropriate, due diligence should be undertaken on counterparties prior to investment or divestment transactions (such as the purchase or sale of a portfolio company) and joint venture partnerships and prior to engaging in other third- party relationships. Risk based monitoring of counterparties in ongoing relationships for suspicious activity or transactions should also be conducted.

Clean Max has developed procedures outlining the specific due diligence steps to be undertaken, which vary depending on the type of counterparty relationship that is involved. In all instances, the procedures require the gathering of documentation used to verify the identity of the counterparty and to assist in a preliminary risk assessment. Based on the findings of the risk assessment, further enhanced due diligence may also be required prior to determining whether to engage the third party or enter into the transaction. The procedures also outline mitigation steps that may be taken depending on the specific risks identified along with ongoing monitoring obligations.

Risks to be considered include, among others:

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<sup>1</sup> For purposes of the Policy and Procedures, anti-money laundering includes counter terrorist financing.

<sup>2</sup> For purposes of the Policy, “temporary workers” include non-full-time employees and consultants and contractors, etc. that work on our premises. The business group retaining a temporary worker is responsible for ensuring that the temporary workers certifies their commitment to comply with the Policy.

- whether the counterparty is located in a high-risk country for money laundering;
- whether the business involved operates in an industry at heightened risk for money laundering or terrorist financing or in a sanctioned country;
- any connections to public officials or other political exposure; and
- known reputational or other issues involving AML exposure.

As outlined in the due diligence procedures, proper documentation should be maintained of the due diligence that is conducted.

Refer to CMES's Anti-Money Laundering Transaction Procedures for further details.

#### IV. Investor KYC

Clean Max contracts with third-party fund administrators to collect certain minimum customer identification information from each new investor; utilize risk-based measures to verify the identity of each new customer; and record customer identification information and the verification methods and results in accordance with the applicable administrator's AML protocol (including information and documents required of prospective investors for identification and verification purposes)

#### V. Monitoring

Ongoing relationships with counterparties require varying degrees of AML monitoring, including screening for changes to the counterparty's risk profile and in connection with specific transactions or other activities involving the counterparty. Appropriate KYC measures should be considered, when any material changes to the counterparty are identified. Such changes may include, changes in location or address involving a high-risk country, changes in ownership or control of an entity or bank account, or other circumstances in which considerations relevant to Clean Max's original risk assessment have materially changed. Records documenting the ongoing monitoring process should be maintained.

#### VI. Trade Sanctions

Trade sanctions are economic, financial, trade or other restrictive measures imposed by individual countries, groups of countries, or multilateral organisations, such as the United Kingdom (UK) government, the United States (U.S.) government, the United Nations (UN) and the European Union (EU), on targeted regimes, countries or regions, governments, entities or individuals (each of these is referred to below as a "Sanctions Target"), in order to achieve specific foreign policy or national security objectives.

These restrictions can take the form of measures imposed directly against the Sanctions Target or restrictions on the ability of other persons to deal with, or on behalf of, the Sanctions Target. Types of sanctions can include:

- Trade sanctions, including restrictions on providing services and/or maintaining relationships with Sanctions Targets, arms embargoes and restrictions on dual-use items;
- Financial sanctions, including asset freezes; and
- Immigration sanctions (also referred to as travel bans).

Clean Max is required by law to comply with sanctions restrictions applicable in the jurisdictions in which it operates and in other jurisdictions such as the U.S. where such laws have extra jurisdictional reach.

Clean Max must not enter into any sort of business relationship if the individual or entity concerned is a Sanctions Target or otherwise subject to sanctions restrictions (depending on the scope of relevant trade sanctions), such as country or region-wide restrictions. As part of due diligence, counterparties should be screened against sanctions, financial crime and adverse media watch lists. These screenings must include:

- The UN “**Consolidated Sanctions List**”;
- The EU “consolidated list of persons, groups and entities subject to EU financial sanctions”;
- HM Treasury (HMT), Office of Financial Sanctions Implementation (OFSI) “consolidated list of targets”;
- The U.S. Treasury Department’s Office of Foreign Assets Control (OFAC) “Specially Designated Persons and Blocked Persons List”; and
- The U.S. Commerce Department’s Bureau of Industry and Security “**Entity List.**”

Where a potential positive match is identified, a representative within Clean Max’s Legal and Regulatory should be notified.

### **VII. Reporting of Suspicious Activity and Transactions**

Employees are obliged to report suspicious transactions or activities to their Finance Controller or equivalent listed as key contacts in section VIII. Once the employee has filed an internal report relating to the suspicious activity, the Finance Controller will review the case and determine the appropriate course of action to take, including determining whether to file a Suspicious Activity Report (SAR) with the reporting authority in the relevant jurisdiction. Care must be taken to ensure that the person or third party who is the subject of a suspicious report is not made aware of (or “tipped off” relating to) a disclosure having been made to a nominated officer or the reporting authority, as this may constitute a criminal offence in some jurisdictions in which we operate.

### **VIII. Key Contacts**

If you have any questions on this Policy, please contact:

**Finance Controller: Sushant Nagre**

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