POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

("Policy")

Hindustan Coca Cola Holdings Limited

Under Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As approved by the Board of Directors vide Board Meeting dated October 13, 2026

This Policy is effective from -

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A. INTRODUCTION

1. This policy has been formulated in compliance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") which requires the formulation of a policy for determination of material subsidiaries.

2. The board of directors of Hindustan Coca Cola Holdings Limited ("**Board**") in compliance with Regulation 16(1)(c) of the SEBI LODR Regulations, has adopted this Policy for determining procedures with regard to Material Subsidiaires (as defined below).

3. The Policy seeks to lay down the criteria for identifying and dealing with Material Subsidiaries and intends to ensure the governance and reporting of transactions between the Company and its Subsidiaries (as defined below).

4. The Policy further seeks to ensure governance of Material Subsidiaries of the Company by complying with directorship requirements, review of financial statements, and bringing certain transactions / arrangements to the attention of the Board, including rules with respect to the disinvestment of shares held by the Company, as well as restrictions on selling / disposing / leasing of assets of such subsidiary by the Company.

B. DEFINITIONS & INTERPRETATION

The following definitions have been assigned to certain terms used in this Policy for effective interpretation:

1. "**Act**" shall mean the Companies Act, 2013 and rules and regulations framed thereunder, and any amendments thereto.

2. "**Audit Committee**" shall mean the committee constituted pursuant to Section 177 of the Act, read with Regulation 18 of the SEBI LODR Regulations, including any statutory modifications or re-enactments thereof.

3. "**Board**" shall mean the board of directors of the Company.

4. "**Company**" shall mean Hindustan Coca-Cola Holdings Limited.

5. "**Control**" shall have the meaning assigned to the term under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

6. "**Independent Director**" shall have the meaning assigned to such term under Regulation 16(1)(b) of the SEBI LODR Regulations read with Section 149 of the Act.

7. "**Material Subsidiary**" shall mean a subsidiary of the Company whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of the Company and its subsidiaries as per the immediately preceding accounting year or such other thresholds as may be prescribed under the SEBI LODR Regulations from time to time.

8. "**Peer Reviewed Company Secretary**" means a company secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

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9. "**Unlisted Material Subsidiary**" shall mean an unlisted subsidiary of the Company, whether incorporated in India or not, whose shares are not listed on any stock exchange and whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

10. "**Unlisted Subsidiary**" shall mean a Subsidiary whose equity shares are not listed on any recognized stock exchange.

11. "**SEBI LODR Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. "**Secretarial Auditor**" shall mean a company secretary in practice or a firm of company secretary(ies) in practice appointed to conduct the Secretarial Audit.

13. "**Significant Transaction or Arrangement**" shall mean an individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the Unlisted Subsidiary for the immediately preceding accounting year.

14. "**Subsidiary**" shall mean a subsidiary as defined under the Act.

Any other term not defined herein shall have the same meaning as prescribed under the Act, or the Securities and Exchange Board of India Act, 1992, SEBI LODR Regulations or any other applicable law to the extent applicable to the Company, as amended from time to time.

C. DETERMINATION OF A MATERIAL SUBSIDIARY

1. A Subsidiary of the Company shall ordinarily be considered as a "**Material Subsidiary**" if the turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its Subsidiaries as per the immediately preceding accounting year.

2. On formation of a Subsidiary, the Company shall, at the end of every year, determine if such Subsidiary falls under the criteria of a Material Subsidiary as specified above. In the event the Subsidiary meets the criteria to be classified as a Material Subsidiary, the same shall be reported to the Board for its noting at the first instance.

D. GOVERNANCE FRAMEWORK

1. At least one Independent Director on the Board shall be a Director on the board of directors of an Unlisted Material Subsidiary, whether incorporated in India or not. For the purposes of this Paragraph D, "**Material Subsidiary**" shall mean a subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries as per the immediately preceding accounting year.

2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary.
3. The minutes of the meetings of the board of directors of the Unlisted Subsidiary shall be placed at the meeting of the Board.

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4. The management of the Unlisted Subsidiary shall periodically bring to the notice of the Board, a statement of all Significant Transactions or Arrangements that have been entered into by the Unlisted Subsidiary.

5. Material Unlisted Subsidiaries incorporated in India shall undertake a Secretarial Audit by a practicing Secretarial Auditor who shall also be a Peer Reviewed Company Secretary. The Secretarial Audit Report shall be annexed with the annual report of the Company.

6. The Company shall follow such governance procedures in relation to Material Subsidiaries, Unlisted Subsidiaries and Material Unlisted Subsidiaries as may be outlined in the SEBI LODR Regulations and applicable law from time to time.

E. DISPOSAL OF A MATERIAL SUBSIDIARY

The Company shall not, without passing a special resolution of the shareholders in a general meeting of the Company -

1. Dispose shares in its Material Subsidiaries that reduces its shareholding (either individually or with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the Material Subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved; or

2. Sell, lease or dispose of the assets which amount to more than 20% of the assets of the Material Subsidiary on an aggregate basis in a financial year unless such sale, lease, asset disposal has been made in lieu of a scheme of arrangement approved by a Court or Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event has been disclosed to the recognized stock exchanges within 1 day of the resolution plan being approved.

The above provision shall not apply if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

F. COMPLIANCE

1. The company secretary of the Company shall ensure the compliance of this Policy and shall have the power to ask for any information or clarifications from the management of the Company in this regard.

2. The company secretary shall ensure and monitor that, as and when a Subsidiary meets the criteria of a Material Subsidiary, the same shall be intimated to the Audit Committee.

3. The Audit Committee upon such intimation shall review the same and shall make suitable arrangements and recommendations to the Board to ensure compliance with the SEBI LODR Regulations.

G. WEBSITE OF THE COMPANY AND DISCLOSURES

1. In accordance with the SEBI LODR Regulations, this Policy shall be disclosed on the website of the Company at https://www.hccb.in/.

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Further, the Company shall disclose on its website all events or information which have been disclosed to the stock exchanges under the SEBI LODR Regulations.

2. The Company shall disclose in the report of the Board, details of this Policy as required under the Act, and the SEBI LODR Regulations. This Policy shall be disclosed on the website of the Company, and a web-link thereto shall be provided in the report of the Board.

3. To ensure uniform dissemination of such information, the Company shall transmit such information to the stock exchanges and also publish the same on the website of the Company.

H. REVIEW OF POLICY AND AMENDMENTS

This Policy shall be reviewed and accordingly amended by the Board from time to time so that it remains compliant with the applicable law. Notwithstanding anything contained to the contrary herein, this Policy shall automatically stand amended to incorporate any changes to the requirements prescribed under applicable law to the extent that such provision does not require the Board to exercise its discretion. If there is any change in provisions of applicable law that require the Board to exercise its discretion, the Board shall promptly review such provisions and adopt necessary changes to the Policy.

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