POLICY ON RELATED PARTY TRANSACTIONS

("Policy")

Hindustan Coca Cola Holdings Limited

Under Regulation 23 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 -

CONTENTS

A.	**SCOPE AND PURPOSE OF THE POLICY**	3
B.	**OBJECTIVES**	3
C.	**DEFINITIONS & INTERPRETATION**	3
D.	**MATERIALITY THRESHOLDS**	5
E.	**MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS**	5
F.	**DISCLOSURES**	9
G.	**RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**	9

A. SCOPE AND PURPOSE OF THE POLICY

1. Related party transactions may present a potential or actual conflict of interest that can be against the best interests of a company and its shareholders. In view of the requirements for approval of related party transactions as prescribed under Section 188 of the Companies Act, 2013 ("**Act**"), read with the rules framed thereunder, and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), Hindustan Coca Cola Holdings Limited ("**Company**") has framed this Policy on related party transactions ("**Policy**") for identifying related parties, materiality of related party transactions and prescribing the proper conduct and framework for dealing with related party transactions, including clear threshold limits duly approved by the board of directors of the Company and documentation of all related party transactions.

2. Regulation 23(1) of the SEBI LODR Regulations mandates every listed company to formulate a policy on the materiality of related party transactions, and for dealing with related party transactions. Further, Regulation 23(2)(a) of the SEBI LODR Regulations requires the Audit Committee to define material modification and disclose the same as part of the policy.

3. Going forward, the Board shall review and amend this Policy at least once every 3 (three) years , unless any changes in applicable law and regulations, and / or business conditions that affect the Company or its subsidiaries, necessitate an earlier amendment to the Policy.

B. OBJECTIVES

This Policy serves to:

1. Set out materiality thresholds for related party transactions;

2. Define Material Modifications; and

3. Set out the manner of dealing with and disclosing transactions between the Company and related parties as required under the Act, the SEBI LODR Regulations and any other laws and regulations as may be applicable to the Company.

C. DEFINITIONS & INTERPRETATION

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

1. "**Act**" means the Companies Act 2013, and any of the corresponding rules framed thereunder and any amendments thereto.

2. "**Audit Committee**" shall mean the audit committee of the Company constituted by the Board of Directors of the Company in compliance with the provisions of the Act and the SEBI LODR Regulations.

3. "**Board**" means the Board of Directors of Hindustan Coca-Cola Holdings Limited.

4. "**Company**" means Hindustan Coca-Cola Holdings Limited.

5. **LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

6. "**Ordinary Course of Business**" with reference to a transaction with a Related Party means a Transaction which –

   (a) is carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time, or

   (b) is as per historical practice with a pattern of frequency, or

   (c) is in connection with the normal business carried on by the Company, or

   (d) the income, if any, earned from such activity/Transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or

   (e) is common commercial practice, or

   (f) meets any other parameters / criteria as decided by the Board.

7. "**Material Modification**" means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the Transaction, by 25% (twenty five percent) or more or by which the Transaction ceases to be in ordinary course and/or on arm's length basis or such other parameter as may be determined by the Board from time to time.

8. "**Material Related Party Transactions**" shall have the meaning assigned to it in Regulation 23 of the SEBI LODR Regulations.

9. "**Relative**" shall mean "relative" as defined in Section 2(77) of the Act.

10. "**Related Party**" shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI LODR Regulations.

11. "**Related Party Transactions**" shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI LODR Regulations or as envisaged in Section 188(1) of the Act.

12. "**Transaction**" shall be construed to mean a single transaction individually or a group of transactions in a contract taken together.

13. "**Senior Management Personnel**" includes officers of the Company who are members of the core management team excluding the Board, and shall comprise of the Company Secretary, the Chief Financial Officer, all personnel one level below the Chief Executive Officer or Managing Director or Whole-time Director or Manager and shall specifically include the functional heads, by whatever name called.

Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the SEBI LODR Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

D. MATERIALITY THRESHOLDS

1. Regulation 23 of the SEBI LODR Regulations requires the Company to provide materiality thresholds for Transactions beyond which prior approval of shareholders will be required by way of a resolution.

2. The Company has fixed its materiality thresholds at the level prescribed as per Regulation 23(1) of the SEBI LODR Regulations read with Schedule XII, and Regulation 23(1A) of the SEBI LODR Regulations, which are currently as under:

   (a) In case of Transactions undertaken between Related Parties, any Transactions either individually or collectively with previous Transactions in a financial year which exceed 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company until the Consolidated Turnover of the Company does not exceed INR 20,000 crore. Thereafter, the thresholds under Schedule XII of the SEBI LODR Regulations shall apply.

   (b) Any Transaction involving payments to Related Parties with respect to brand usage or royalties, if such Transaction, either individually or collectively with previous Transactions during a financial year, exceeds 5% (five percent) of the annual consolidated turnover of the Company as per its last audited financial statements.

   (c) Any subsequent Material Modification to the terms of Related Party Transactions, as defined in this Policy, shall require prior approval of the shareholders by way of a resolution.

E. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

1. **Identification of Related Parties:** The Company shall identify and update the list of Related Parties as prescribed under Section 2(76) of the Act, read with the rules framed thereunder, and Regulation 2(1)(zb) of the SEBI LODR Regulations.

2. **Identification of Related Party Transactions:** The Company shall identify Related Party Transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI LODR Regulations. The Company shall determine whether the Transaction is in the Ordinary Course of Business and is valued at an arm's length pricing basis. For this purpose, the Company may seek external professional advice / opinions if necessary.

3. **Procedure for approval of Related Party Transactions**

   (a) <u>Approval of the Audit Committee</u>

   (i) All Related Party Transactions and subsequent Material Modifications that require prior approval of the Audit Committee under the Act and the SEBI LODR Regulations will be referred to the Audit Committee for review and approval;

   (ii) Only members of the Audit Committee, who are independent directors, shall approve Related Party Transactions. Any member of the Audit Committee or the Board who has potential interest in any Related Party

Transaction in terms of Rule 15(2) of the Companies (Meeting of Board and its Powers) Rules, 2014 shall not be present at the meeting during the discussions on the subject matter and shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction;

(iii) In the event of a Related Party Transaction above rupees one crore whether entered into individually or taken together with previous transactions during a financial year to which the subsidiary of the Company is a party but the Company is not a party, prior approval of the Audit Committee shall be obtained if the value of such Transaction exceeds the lower of: (a) ten percent (10%) of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or (b) the threshold for material related party transactions of listed entity as specified in Schedule XII of the SEBI LODR Regulations.

(iv) In the event of a Related Party Transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the Audit Committee shall be obtained if the value of such transaction exceeds the lower of the following: (a) ten percent (10%) of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or (b) the threshold for material Related Party Transactions of listed entity as specified in Schedule XII of the SEBI LODR Regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

(b) Omnibus Approval – The Company may obtain omnibus approval from the Audit Committee for Related Party Transactions proposed to be entered into by the Company or its subsidiary, subject to compliances with the following conditions:

(i) The Audit Committee shall specify in the omnibus approval the criteria for granting the omnibus approval in line with this Policy which may include the following:

(A) The name(s) of the Related Party(ies), the nature of the Transaction, period of Transaction, maximum amount of transactions that shall be entered into;

(B) The indicative base price/current contracted price and the formula for variation in the price, if any;

(C) Review, at least on a quarterly basis, Related Party Transaction entered into by the Company or its subsidiary pursuant to each omnibus approval made; and

(D) Such other conditions as the Audit Committee may deem fit.

(ii) The Audit Committee shall consider while specifying the criteria for making omnibus approval – (a) the ordinary course of business nature; and (b) the justification for the need for omnibus approval.

(iii) In cases of Related Party Transactions which cannot be foreseen, and where the details specified in Paragraph (E)3(b)(i) above are not available, the Audit Committee may grant omnibus approval provided the value does not exceed INR 1 (one) crore per transaction.

(iv) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions and any Material Modifications thereto entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

(v) Omnibus approval given by the Audit Committee shall be valid for a period not exceeding 1 (one) year and shall require a fresh approval after expiry of such year.

(vi) While seeking approval for a Related Party Transaction placed before the Audit Committee, the Audit Committee shall be provided with the information as required to be provided under the Act, the SEBI LODR Regulations and the Industry Standards.

(vii) In accordance with Regulation 23(5) of the SEBI LODR Regulations, the requirement for seeking the approval of the Audit Committee for Related Party Transactions shall not be applicable to Transactions between the Company and its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval. Furthermore, Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand will also be exempt.

(viii) Omnibus approval of the Audit Committee shall not be made for transactions in respect of selling or disposing of an undertaking of the Company or any other transaction for which omnibus approval is not permitted under the Act or rules made there under or SEBI LODR Regulations.

(c) Approval of the Board

(i) In accordance with Section 188 of the Act, Transactions specified under the aforesaid provision, and which are not in the Ordinary Course of Business or not at an arm's length basis shall be placed before the Board for approval.

(ii) In addition to the above, Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the Ordinary Course of Business and/or at arm's length basis shall be Tabled before the Board for its approval.

(d) Approval of the Shareholders of the Company

(i) All the Transactions with Related Parties meeting the materiality thresholds, laid down in Paragraph D of the Policy, and subsequent Material Modifications thereto as defined in Paragraph C(7) will be placed before the shareholders for their prior approval through resolution.

(ii) The notice sent to shareholders seeking approval for any proposed Related Party Transaction shall, include information as required under the Act, the SEBI LODR Regulations and the Industry Standards.

(iii) The omnibus shareholders' approval of Material Related Party Transactions approved in an annual general meeting shall be valid up to the date of the next annual general meeting held within the timelines prescribed under Section 98 of the Act or rules, notifications or circulars issued thereunder from time to time. Further, in case of omnibus approval for Material Related Party Transactions, obtained from 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.

(iv) Transactions specified under Section 188 of the Act which (a) are not in the Ordinary Course of Business or not at an arms length basis; and (b) exceeds the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.

(v) In accordance with Regulation 23(4) of the SEBI LODR Regulations, no Related Party shall vote to approve the relevant resolution in relation to a Related Party Transaction under the SEBI LODR Regulations irrespective of whether the entity is a Related Party to the particular Transaction or not.

(vi) In accordance with Regulation 23(5) of the SEBI LODR Regulations and Section 188(1) of the Act, the requirement for seeking the approval of the shareholders' shall not be applicable *inter alia* to –

(A) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

(B) Transactions between two wholly owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders' at the general meeting for approval.

(C) It is clarified that the prior approval of the shareholders will not be required in cases where the subsidiary is a listed entity, and the provisions of Regulation 23 and Regulation 15(2) of the SEBI LODR Regulations are applicable to such listed entity.

(D) Further, the requirements for shareholders' approval shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the exchanges within one day of the resolution plan being approved.

F. DISCLOSURES

1. Every director shall, at the beginning of the financial year or at the first Board meeting held after there is any change in the disclosures already made, provide information by way of written notice to the Company regarding his concern or interest in the company or companies or bodies corporate, firms, or other association of individuals which shall include their shareholding.

2. The Company shall disclose in the report of the Board, Transactions prescribed under Section 188(1) of the Act with Related Parties, which are not in the Ordinary Course of Business, or are not at an arm's length basis along with the justifications for entering into such a Transaction.

3. The Company shall also provide details of all Related Party Transactions which exceed the materiality threshold prescribed in Clause D (*Materiality Thresholds*) of this Policy, on a half-yearly basis to the stock exchanges along with the compliance reports on corporate governance in accordance with the SEBI LODR Regulations within 30 (thirty) days from the date of publication of its standalone and consolidated financial results for the half year.

4. The Company shall submit within the timelines prescribed under Regulation 23(9) of the SEBI LODR Regulations, details and disclosures of Related Party Transactions in the format as prescribed by the SEBI and publish the same on the website of the Company at https://www.hccb.in/.

5. In accordance with Regulation 46(2)(g) of the SEBI LODR Regulations, this Policy shall be disclosed on the website of the Company at https://www.hccb.in/.

G. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

1. The Members of the Audit Committee who are independent directors, may ratify Related Party Transactions which are not under omnibus approval or otherwise pre-approved by the Audit Committee within 3 (three) months from the date of the Transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

   a. The value of the ratified Transaction(s) with a Related Party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
   b. The transaction is not material in nature as defined in Regulation 23 of the SEBI LODR Regulations;
   c. Rationale for inability to seek prior approval for the Transaction shall be placed before the Audit Committee at the time of seeking ratification;

d. The details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of 23(9) of the SEBI LODR Regulations;
e. any other condition as specified by the Audit Committee.

Provided that failure to seek ratification of the Audit Committee shall render the Transaction voidable at the option of the Audit Committee and if the Transaction is with a related party to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the listed entity against any loss incurred by it.

2. Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 3 (three) months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it.

H. AMENDMENTS TO THE POLICY

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 requires the Board to exercise its discretion, the Board shall promptly review such provisions and adopt necessary changes to the Policy.

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