TENNECO CLEAN AIR INDIA LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Purpose and Scope

1.1. This policy for determining material subsidiary(ies) ("**Policy**") of Tenneco Clean Air India Limited ("**Company**") has been adopted pursuant to the provisions of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

1.2. This Policy is to be used for determination of material subsidiary(ies) of the Company, whether listed or unlisted ("**Material Subsidiary(ies)**"). The Policy provides for the governance framework of such Material Subsidiaries, in accordance with the Listing Regulations.

2. Definitions

2.1. All the words and expressions used in this Policy, unless defined hereunder, are to have the meanings respectively assigned to them under the Listing Regulations and, in the absence of a definition or explanation thereunder, as per the meanings assigned under the Companies Act, 2013 and the rules, notifications and circulars made / issued thereunder.

2.2. For the purposes of this Policy, the following terms shall have the meanings assigned hereunder:

(a) "**Control**" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

(b) "**Subsidiary**" shall mean a company in which the Company:

(i) controls the composition of the board of directors; or

(ii) exercises or controls more than one-half of the total voting power either on its own or together with one or more of its Subsidiary(ies).

Provided that, for the purposes of this paragraph:

(a) a company shall be deemed to be a Subsidiary of the Company even if the control referred to in sub-paragraph (i) or sub-paragraph (ii) above is of another subsidiary company of the Company;

(b) the composition of a company's board of directors shall be deemed to be controlled by another company if that other company, by exercise of some power exercisable by it at its discretion, can appoint or remove all or a majority of the directors; and

(c) the expression "company" includes any body corporate.

(c) "**Secretarial Auditor**" means a company secretary in practice or a firm of company secretary(ies) in practice appointed to conduct the secretarial audit.

(d) "**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.

(e) "**Material Subsidiary**" shall mean a Subsidiary of the Company whose turnover or net worth exceeds 10% (ten per cent) of the consolidated turnover or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year, unless otherwise provided in paragraph 3.1 of this Policy.

(f) "**Unlisted Subsidiary**" shall mean a Subsidiary of the Company whose securities are not listed on any recognized stock exchange.

3. **Governance framework**

3.1. At least 1 (one) independent director on the board of directors of the Company ("**Board**") shall be a director on the board of directors of an Unlisted Subsidiary (whether incorporated in India or not) which qualifies as a "Material Subsidiary". Provided that, solely for the purposes of this paragraph 3.1, the term "**Material Subsidiary**" means a Subsidiary of the Company, whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

3.2. The audit committee of the Company shall review the financial statements of the Subsidiaries of the Company, in particular the investments made by the Unlisted Subsidiaries.

3.3. The minutes of the meetings of the board of directors of the Unlisted Subsidiaries shall be placed at the meeting of the Board at regular intervals.

3.4. The management of the Unlisted Subsidiaries shall periodically bring to the notice of the Board a statement of all 'significant transactions and arrangements' entered into by the Unlisted Subsidiaries. For the purposes of this paragraph 3.4, "significant transaction or arrangement" means any individual transaction that exceeds or is likely to exceed 10% (ten per cent) 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.

3.5. The Company shall not dispose of the shares in a Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other Subsidiaries) in the Material Subsidiary to less than or equal to 50% (fifty per cent) of the share capital of the Material Subsidiary or which would result in the Company ceasing to exercise Control over the Material Subsidiary, without passing a special resolution in a general meeting of the Company. However, such approval of the shareholders of the Company is not required if the disinvestment is being made pursuant to:

(a) a scheme of arrangement duly approved by a court / tribunal; or

(b) a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("**Insolvency Code**") and if such event is disclosed to the recognized stock exchanges within 1 (one) day of such resolution plan being approved.

3.6. The Company shall obtain prior approval of the shareholders by a way of a special resolution for selling, disposing and leasing of assets amounting to more than 20% (twenty per cent) of the assets of a Material Subsidiary, on an aggregate basis, during a financial year. However, such approval of the shareholders is not required if the sale / disposal / lease is made pursuant to:

(a) a scheme of arrangement duly approved by a court / tribunal; or

(b) a resolution plan duly approved under Section 31 of the Insolvency Code,
and if such an event is disclosed to the recognized stock exchanges within 1 (one) day of such resolution plan being approved.

3.7. Every unlisted Material Subsidiary, incorporated in India, shall undertake a secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary, and the secretarial audit report shall be annexed with the annual report of the Company in such form as specified under the Listing Regulations.

3.8. The Company shall submit a secretarial compliance report in such form as specified, to the stock exchanges, within 60 (sixty) days from the end of each financial year and that such report is signed only by the Secretarial Auditor or by a Peer Reviewed Company Secretary who satisfies the conditions set out in the Listing Regulations.

4. Disclosures

4.1. The Company shall disclose this Policy, as required under the Listing Regulations, on its website and provide a weblink where the Policy is disclosed in its annual report.

5. Amendment, Review and Effectiveness

5.1. This Policy will be subject to review and revisions as may be deemed necessary by the Board and as required under applicable law. In the event of any conflict between the terms of this Policy and applicable law (including the Listing Regulations), the provisions of applicable law shall prevail.

5.2. This Policy is approved and adopted by the Board at its meeting held on 15th May, 2025, from which date, this Policy shall be effective.