

SANOFI CONSUMER HEALTHCARE INDIA LIMITED

DIVIDEND DISTIRBUTION POLICY

1. PREAMBLE

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter called "SEBI LODR") which has come into effect vide notification dated 5th May 2021 issued by the Securities and Exchange Board of India (SEBI) has mandated the formulation of a Dividend Distribution Policy for the top 1000 listed entities based on their market capitalization calculated on March 31 of every financial year.

2. OBJECTIVE

It is required to formulate a Dividend Distribution Policy in compliance with Regulation 43 A of the SEBI LODR. The Board of Directors of the Company (hereinafter called "the Board") has accordingly approved this policy at its meeting held on June 17, 2024.

3. EFFECTIVE DATE

This policy is effective from the financial year 2024.

4. GUIDELINES FOR DECLARATION / RECOMMENDATION OF DIVIDENDS

4.1 The Company shall comply with relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve as provided in the Companies Act, 2013 which may be applicable to the Company at the time of taking decision on declaration / recommendation of dividend.

4.2 The Company shall pay dividend in compliance with the provisions of Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend), Rules, 2014.

4.3 The Board shall consider the expectations of all stakeholders including minority / small shareholders while declaring/ recommending dividends.

4.4 The Board shall consider the following factors while declaring/ recommending dividends:

Internal Factors:

- Current year's profits and future outlook for the Company and the industry in which it operates;
- Profits from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Projected operating free cash flow generation after taking into account fund requirements for working capital needs of the business;
- Funding requirements for capital expenditure, other business needs;

- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- Optimal cash position requirement to fund exigencies, if any; and
- Past dividend payout trends of the Company.

External Factors:

- Macro-economic conditions and general business environment;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws; and
- Other factors and/or material events which the Board of Directors may consider necessary to consider from time to time.

4.5 The Board may declare interim dividend(s) during any financial year and /or recommend final dividend for declaration by the shareholders of the Company at the Annual General Meeting.

4.6 In case the Board proposes not to distribute profits in any financial year, the reasons for the decision shall be disclosed in the Report of the Directors to the shareholders.

4.7 The shareholders of the Company may not expect dividend under the following circumstances:

- The Company has incurred losses;
- During a significant expansion project requiring investments/funding;
- Any unforeseen material event restricting the ability of the Board to consider payment of dividend

4.8 The retained earnings shall be utilized towards the objectives of the Company as contained in the Memorandum of Association of the Company. The Company may declare dividend out of the retained earnings available for distribution of Dividend, after having due regard to the parameters laid down in this Policy as well as external factors affecting the decision, irrespective of the fact whether they are mapped in this policy or not.

4.9 The current share capital of the Company consists only of equity shares. As and when the Company issues other kinds of shares, the Board may suitably amend this Policy.

5. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares, if any will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

6. AMENDMENTS / MODIFICATION OF POLICY

The Board may amend, modify or review this policy in whole or in part, as it may be considered necessary.

7. DISCLOSURE

This Policy shall be published in the Annual Report and displayed on the Company's website.