

**SANOFI CONSUMER HEALTHCARE INDIA LIMITED**

**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

**1. CRITERIA:**

Pursuant to Regulation 16(1)(c) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) a subsidiary shall be considered material if the income or net worth of the said subsidiary exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

**2. DISCLOSURE OF THE POLICY:**

This Policy shall be uploaded on the Company’s website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

**3. LAWS TO TAKE PRECEDENCE AND AMENDMENT:**

Any of the Managing Director, Chief Financial Officer or Company Secretary being Key Managerial Personnel of the Company from time to time, are severally authorized by this Policy to determine whether a subsidiary has become a material subsidiary as per this Policy and the 2015 Regulations, and to do and take all necessary and incidental acts, steps, etc. in relation and pursuant thereto (“Authorized KMP”).

If any of the provisions of this Policy, are inconsistent with the applicable laws, then the provisions of applicable laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws.

As this Policy is pursuant to the applicable laws, if any change to applicable laws or interpretation thereof necessitates any change to the Policy, then this Policy shall be read so as to accommodate the changes. The Authorized KMP will review the Policy to give effect to above, as and when need arises, till such time as the Board of Directors makes the necessary changes to the Policy.

**4. POLICY ON MATERIAL SUBSIDIARIES**

a) At least one Independent Director of the Company shall be a director on the Board of Directors of the Material unlisted Subsidiary Company.

(For the purpose of requirement under 4(a) above, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.)

b) The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

c) The minutes of the Board Meetings of the unlisted subsidiary company, shall be placed before the Board of the Company on periodic basis.

d) The management shall, periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

#### **5. DISPOSAL OF MATERIAL SUBSIDIARIES**

a) The Company, shall not dispose shares in Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% or ceases the exercise of control over the Subsidiary without passing a Special Resolution in its General Meeting, 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved; or

b) Selling, disposing and leasing of the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year, shall require prior approval of the shareholders by way of special resolution, unless the sale/disposal/lease 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### **6. REVIEW:**

The Board of Directors of the Company shall make such alterations to this Policy as and when necessitated or as deemed fit, provided they are not inconsistent with the provisions of the applicable laws.