COLGATE-PALMOLIVE (INDIA) LIMITED

DIVIDEND DISTRIBUTION POLICY

BACKGROUND

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 by inserting Regulation 43A, which makes it mandatory to have a dividend distribution policy for the top five hundred listed companies based on market capitalization (calculated as on March 31 of every financial year).

Colgate-Palmolive (India) Limited (the "Company"), being one of the top five hundred listed companies as per the criteria mentioned above, has formulated this Dividend Distribution Policy (this "Policy"), which was approved by its Board of Directors (the "Board") effective [March 27, 2017.]

PARAMETERS FOR DECLARATION OF DIVIDEND

The Company has a track record of uninterrupted payment of interim dividends for the past many years. The Board considers the following parameters for declaration of dividends:

Financial parameters, including internal factors

i. Profits available for distribution of dividends;
ii. Business performance up to the date of declaration of an interim dividend;
iii. Financial outlook considering future business plans;
iv. Working capital requirements;
v. Cash flow and liquidity position;
vi. Cash requirements for any planned capital expenditures, new product launches, commercial or financial investments or similar items;
vii. Any repayments of borrowings, securities buybacks or similar transactions;
viii. Any acquisitions, amalgamation, mergers, joint ventures or similar transactions completed or contemplated by the Company (collectively, "M&A"); and
ix. Expected cash requirements for any contingency plans.

External factors

i. Macroeconomic conditions in India and globally;
ii. Dividend trends in the industry; and
iii. Prevailing laws, including tax laws, rules and regulations, and the impact of any changes in such laws.

PARAMETERS FOR UTILISATION OF RETAINED EARNINGS

The Company utilizes its retained earnings for securing its long-term growth objectives and other lawful business purposes, including, among other things:

i. Funding growth plans and working capital requirements;
ii. Capital expenditures and re-investment opportunities;
iii. Issuance of bonus shares;
iv. Repayments of borrowings, securities buybacks or similar transactions;
v. Inorganic growth opportunities, including M&A;
vi. Payment of liabilities; and
vii. Payment of dividends in future years in case of inadequacy of profits in such years.

APPLICABILITY OF POLICY TO CLASS OF SHARES

The Company currently has only one class of shares, i.e. equity shares. This Policy is applicable to the fully paid equity shares of the Company.

AMENDMENT

This Policy may be amended by the Board from time to time. In addition, to the extent any change to this Policy is required by any applicable laws, the Managing Director and the Company Secretary of the Company are jointly authorised to amend this Policy to give effect to any such required changes. Any such amended Policy will be placed before the Board for ratification.

DISPLAY OF THE POLICY

A copy of this Policy is available on the Company's website and in its Annual Report.

***