



3M India Limited
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November 10, 2023

To,

1. BSE Limited,
1st Floor, New Trading Ring, Rotunda Building
P.J. Towers, Dalal Street, Fort
Mumbai - 400 001

Scrip Code - 523395

2. National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code – 3MINDIA

Sub: Disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Term-sheet to be executed in relation to the health care business

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the board of directors of 3M India Limited ("**Company**"), in the board meeting held today i.e., on November 10, 2023 discussed and approved the binding term sheet proposed to be executed with 3M Healthcare US Opco, LLC (US), 3M Healthcare LATAM/APAC Export Corporation (US), 3M Healthcare Intellectual Properties Company (US) and 3M Unitek Corporation (US), which sets-out the key terms and conditions for the licensed manufacturing, reselling and distributorship arrangements to be entered into between the aforesaid entities and the Company in relation to the Health Care business of the Company. The aforesaid term sheet was negotiated and finalized pursuant to the approval granted by the board of directors of the Company in their meeting held on May 30, 2023.



The key terms of the term sheet are set-out hereinbelow:

S. No.	Particulars	Details
1.	Name of the counterparties	<ul style="list-style-type: none"> i. 3M Healthcare US Opco, LLC (US); ii. 3M Healthcare LATAM/APAC Export Corporation (US); iii. 3M Healthcare Intellectual Properties Company (US); and iv. 3M Unitek Corporation (US)
2.	Time period, if any, associated with the agreement	5 years, being the initial term ("Initial Term") under the Licensed Manufacturer and Reseller Agreement and the Distribution Agreement (as listed in point 4 below), and 1 year being the initial term of the Sales Agent Agreement (as listed in point 4 below)
3.	Details of consideration paid/received in agreement	<p>Nil under the term sheet.</p> <p>In respect of the agreements mentioned in point 4 below,</p> <ul style="list-style-type: none"> (a) Under the Licensed Manufacturer and Reseller Agreement, apart from the purchase of raw materials from the counterparties at the agreed price (with yearly adjustment), the Company has to pay a royalty equal to 4% of the net sales value to 3M Healthcare Intellectual Properties Company (US) and the Company will be entitled to the revenue generated from the sale, subject to the above; (b) Under the Distribution Agreement, apart from the purchase of the specified Health Care products from the counterparties at the agreed price (with yearly adjustment) payable by the Company, the Company will be generating revenues by sale of the aforesaid Health Care products; and (c) Under the Sales Agent Agreement, the Company will be entitled to a commission equal to 12% of the annual sales of 3M Unitek Corporation's products sold in India.
4.	Area of agreement	<ul style="list-style-type: none"> i. Licensed Manufacturer and Reseller Agreement ii. Distribution Agreement iii. Sales Agent Agreement <p>with all of the above to be executed pursuant to the term sheet.</p>
5.	Domestic/International	Both
6.	Rationale and benefits expected from the proposed arrangement	<p>On July 26th, 2022, 3M Company announced its intent to spin off its Health Care business ("Health Care Business"), resulting in two world-class public companies.</p> <p>3M Company, USA has ultimate ownership of the intellectual property rights in the Health Care Business. As part of the separation of the Health Care</p>



		Business, such intellectual property rights will be transferred to an affiliate of counterparties. This proposed arrangement will ensure the continuance of the Health Care Business of the Company in the same manner as it is presently operating, with primarily only the counterparties changing on account of the spin-off of the Health Care business (including all intellectual property rights relating thereto) by 3M Company, USA and its subsidiaries to the counterparties.
7.	Scope of business operation of the agreement	<p>The Company shall act as the independent authorized exclusive distributor of specified Health Care Business products and services of the counterparties'-</p> <ul style="list-style-type: none"> (a) medical solutions division (b) oral care solutions division (c) separation and purification sciences division <p>in India and Nepal ("Territory");</p> <p>The Company shall be granted an exclusive license by the counterparties for the manufacture and sale of the Health Care Business products in the Territory; and</p> <p>(d) The Company shall act as a commission/sales agent for obtaining orders of oral care products on behalf of 3M Unitek Corporation (US) in India.</p>
8.	Significant terms and conditions of agreement	<ul style="list-style-type: none"> (a) Exclusivity: The rights under the licensed manufacturing, and reselling and the distribution agreements are granted exclusively for the Company in the Territory, subject to certain terms and conditions; (b) License: The Company is to be granted an exclusive license to manufacture and sell specified Health Care products in the Territory; (c) Lock-in and Automatic renewal: In respect of the Licensed Manufacturing and Reseller Agreement and the Distribution Agreement no party shall be entitled to unilaterally terminate the agreements during the Initial Term except for material breach of terms and conditions by any party. The agreements shall automatically renew for a one-year term on expiry of the Initial Term, unless terminated by the parties; (d) Option to acquire: At any time, the counterparties shall have the option to acquire the Company's Health Care Business on mutually agreeable terms. (e) The transactions / agreements contemplated under the term sheet are conditional and subject to customary conditions and receipt of internal approvals and regulatory approvals as may be required to be obtained by the concerned parties.



9.	Whether the promoter/promoter group/group companies have any interest in that entity to whom the order(s)/contract(s) is awarded? If Yes, nature of interest and details thereof	Yes, currently the counterparties are direct or indirect wholly-owned subsidiaries of 3M Company, USA (being the promoter of the Company). Upon completion of the spin-off of 3M's Health Care Business, 3M Company, USA will hold an interest in 3M Health Care Company (which will then be the ultimate parent company of the counterparties) of not more than 19.9%.
10.	Whether the same would fall within related party transactions? If yes, whether the same is done at "arm's length"	Yes

Kindly bring this to the notice of the members of the Stock Exchange.

Thanking you,

For 3M India Limited,

Pratap Rudra Bhuvanagiri

Company Secretary & Compliance Officer