

## POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

### 1. OBJECTIVE

This Policy is framed in accordance with the requirements of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to determine materiality of any event/information based on the criteria specified in these regulations and to ensure timely and accurate dissemination of the material event/information to the Stock Exchanges.

This Policy for determination of materiality of events/information aims at:

- ensuring that all investors have equal access to material information that may affect their investment decisions;
- ensuring that adequate and timely information is provided to stakeholders;
- avoiding establishment of false market in the securities of the Company; and
- communicating the principles of materiality based on which the Company shall make disclosures of events or information.

This Policy shall be read with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and guidelines for consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information. The policy shall serve as guideline and assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

### 2. EFFECTIVE DATE

This Policy is effective December 1, 2015.

### 3. DEFINITION

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

**“Board of Directors”** or **“Board”** means the Board of Directors of Pfizer Limited.

**“Company”** means Pfizer Limited.

**“Compliance Officer”** shall mean the Company Secretary of the Company.

**“Key Managerial Personnel”** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

**“Listing agreement”** shall mean an agreement that is to be entered into between a recognized Stock Exchange and the Company pursuant to the Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**“Promoter”** shall have the same meaning as assigned in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**“Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

**“Schedule”** means a Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Stock Exchange”** means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

#### 4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

- (i) Events / information listed in Annexure A of this Policy shall be deemed to be material events and the Company shall make disclosure of such events / information without applying any criteria of materiality.
- (ii) The following criteria shall be applied for determining materiality of events / information listed in Annexure B:
  - (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
  - (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
  - (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
    - i. 2% of Turnover, as per the latest audited financial statements of the Company;
    - ii. 2% of Net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative;
    - iii. 5% of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of the Company.
  - (d) In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material, if in the opinion of the Board of Directors of the Company, the event / information is considered material.

## 5. TIMELINES FOR DISCLOSURE OF MATERIAL EVENTS / INFORMATION

- a. Events / information specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than the following:
  - i. 30 minutes from the conclusion of the Board Meeting in which the decision pertaining to the event or information has been taken;
  - ii. 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
  - iii. 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.
  - iv. Or such other timelines as maybe prescribed by SEBI from time to time.

Provided that in case the disclosure to the Stock Exchanges is made after the specified timelines such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

- b. The Company shall make disclosures for updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- c. The Company shall provide timely and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. Further, the Company may, in appropriate cases, confirm or deny to the stock exchange(s), any reported event or information.

In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's Archival Policy.

## **6. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

The Managing Director, Chief Financial Officer and the Company Secretary of the Company shall be severally authorized to determine Materiality of any event or information, verifying or denying rumours for the purpose of making disclosures to the stock exchange(s), subject to the provisions of this Policy.

The aforesaid Key Managerial Personnel shall be further severally authorized to make necessary disclosures of material event / information to the Stock Exchanges and upload the same on the Company's website.

The contact details of Managing Director, Chief Financial Officer and the Company Secretary shall be disclosed and updated from time to time to the stock exchange(s) and as well as maintained on the Company's website.

## **7. AMENDMENTS/REVIEW**

The Board may, subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## **8. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **9. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.

## Annexure A

### **Events which shall be disclosed without any application of the guidelines for Materiality:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) whole or substantially the whole of the undertaking(s) or subsidiary of the Company, if any, sale of stake in associate company of the Company, if any, or any other restructuring;

Explanation. - 'Acquisition' shall mean, -

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
  - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - (b) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause 4(ii)(c) of this policy.

Explanation - sale or disposal of subsidiary and sale of stake in associate company shall include:

- (a) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or
- (b) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in clause 4(ii)(c) of this policy

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.;
3. New rating(s) or revision in credit rating(s);
4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - b) any cancellation of dividend with reasons thereof;
  - c) the decision on buyback of securities;
  - d) the decision with respect to fund raising proposed to be undertaken
  - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g) short particulars of any other alterations of capital, including calls;
  - h) financial results;
  - i) decision on voluntary delisting by the Company from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;

6. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.

7. Fraud or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad.

For the purpose of this clause:

(i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity



8. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor, Compliance Officer and Senior Management.
9. Appointment or discontinuation of share transfer agent;
10. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions
11. Corporate debt restructuring;
12. One-time settlement with a bank;
13. Winding-up petition filed by any party /creditors;
14. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company;
15. Proceedings of Annual and extraordinary general meetings of the Company;
16. Amendments to memorandum and articles of association of Company, in brief;
17. Schedule of Analyst or institutional investor meet and presentations made by the Company to analysts or institutional investors.
18. Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s).
19. Events as specified in clause 16 of Part A of Schedule III in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
20. Initiation of Forensic audit.
21. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.
22. Action(s) initiated or orders passed by any regulatory, statutory or enforcement authority or judicial body against the Company or directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of search or seizure; or re-opening of accounts under Section 130 of the Companies Act, 2013; or Investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the details pertaining to the actions(s) initiated, taken or orders passed.

23. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of suspension, imposition of fine or penalty, settlement of proceedings, debarment, disqualification, closure of operations, sanctions imposed, warning or caution or any other similar action(s) by whatever name called; along with the details pertaining to the actions(s) initiated, taken or orders passed.
24. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

## Annexure B

### **Events which shall be disclosed upon application of the guidelines for materiality:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Any of the following events pertaining to the Company:
  - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - (b) adoption of new line(s) of business; or
  - (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Pendency of Litigation(s) / dispute(s) / regulatory action(s) or the outcome thereof which may have an impact;
9. Fraud/defaults etc. by employees of the Company which has or may have an impact;
10. Options to purchase securities including any ESOP/ESPS Scheme of the Company, if any;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender , cancellation or suspension of key licenses or regulatory approvals;
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

14. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.