AstraZeneca Pharma India Limited

POLICY ON DETERMINATION OF MATERIALITY OF AN EVENT/INFORMATION

1. **Purpose and Objective:**

AstraZeneca Pharma India Limited ("the Company"), being a listed entity, is obliged to make disclosures of any material events or information under and in accordance with regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("the Regulations").

This Policy is framed by the Board of Directors of the Company ("the Board") for determination of the materiality of events or information to be disclosed by the Company pursuant to and in accordance with the Regulations.

2. **Disclosure of material events or information by the Company and authorisation for determination of materiality and making disclosures:**

2.1 The Company shall make a disclosure of all events specified in Para A of Part A of Schedule III to the Regulations which are reproduced in Annexure - A to this Policy, such events being deemed to be material events and as such mandatorily required to be disclosed by it without applying the criteria for determination of materiality of events / information referred to in regulation 2.2 below.

2.2 The Company shall also make a disclosure of events specified in Para B of Part A of Schedule III to the Regulations which are reproduced in Annexure - B to this Policy based on the criteria for determination of materiality of events / information specified in Sub-regulation 4(i) of regulation 30 of the Regulations.

2.3 In addition to the events / information referred to in clauses 2.1 and 2.2 above, the Company shall also make a disclosure of any events or information which, in the opinion of the Board, is considered material.

2.4 The Board has duly authorised the following Key Managerial Personnel, namely, the Managing Director, the Company Secretary and the Chief Financial Officer, of the Company for the time being, jointly and severally to (a) determine on behalf of the Company the materiality of any events or information, (b) make the required disclosures on behalf of the Company for such material events or information to Stock Exchange(s) and of updated material developments on a regular basis till such time as the event is resolved / closed with relevant explanations, (c) provide specific and adequate reply on behalf of the Company to all queries raised by Stock Exchange(s) with respect to any events or information, and (d) confirm or deny, on his / their own initiative, any reported event or information to the Stock Exchange(s).

2.5 Notwithstanding the provisions of clause 2.4 above, the Managing Director and/or Chief Financial Officer for the time being shall be the primary Key Managerial Personnel to make all disclosures to the Stock Exchange(s) required to be made in terms of the authority conferred under clause 2.4 above, in addition to the Company Secretary.

2.6 All disclosures made to the Stock Exchange(s) by the Company Secretary and, in his/ her absence for any reason, by the Managing Director and/ or the Chief Financial Officer shall be duly signed and dated by the Company Secretary, the Managing Director and/ or the Chief Financial Officer, as the case may be.

3 **Criteria for determining materiality of Events/Information:**

(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:

- two percent of turnover, as per the last audited consolidated financial statements of the Company;
- two percent of net worth, as per the last audited consolidated financial statements of the Company;
- five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

4 Guidelines for determining materiality of Events / Information:

4.1 Where any employee of the Company has or acquires knowledge of an event or information which is, or is likely to be considered, of a material nature as envisaged by the Regulations or this Policy, such employee shall forthwith notify the same to the concerned Business Head / Manager / Functional Heads of the Company who in turn shall promptly convey the same to the Company Secretary, and in his/ her absence for any reason, to the Managing Director and / or the Chief Financial Officer of the Company.

4.2 Should the Company Secretary, and in his/ her absence for any reason, the Managing Director and/ or the Chief Financial Officer, after review of any such event or information conveyed to him as provided in clause 3.1 above, also consider that the same is of a material nature as envisaged by the Regulations or this Policy, he shall disclose the material event or information to the Stock Exchange(s).

4.3 No media / public announcement/ publication shall be made by or on behalf of the Company of, or related to, a material event or information until after the same has been first approved by the Company Secretary and, in his/ her absence for any reason, by the Managing Director and/ or Chief Financial Officer of the Company.

5. Timelines for disclosure:

The Company shall disclose all events or information within the timelines specified in the Applicable Laws.

6. Amendments to Policy:

This Policy may be amended by the Board from time to time if and when considered necessary, provided that no such amendments shall be valid or effective which are contrary to or inconsistent with the Regulations. Any subsequent amendment / modification to the Regulations and/or applicable laws in this regard shall automatically apply to this Policy.

7. Hosting of information on the website of the Company:

This Policy, all amendments there to and disclosures made by or on behalf of the Company of events or information to the Stock Exchange(s) under or pursuant to the Regulations or this

Policy, shall be hosted on the Company's website for a minimum period of five years in accordance with the Regulations.

This Policy shall come into force and effect on and from 1st December, 2015.

Annexure A

SCHEDULE III
PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

Sl. No.	Events
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), sale or disposal of any unit(s), division(s), wholly or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring. Explanation (1) :- For the purpose of this sub-para, the word '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 existing directly or indirectly, such that- a) The listed entity 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company; or (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub clause (c) if clause (i) of sub-regulation (4) of regulation 30. Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include- (i) 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 listed entity; or (ii) 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 sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30. Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.
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 Rating(s).
4.	Outcome of Meetings of the board of directors: The listed entity 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 listed entity from stock exchange(s).
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 listed entity), 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
5A.	Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements: Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of these regulations.
6.	Fraud/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 listed entity, whether occurred within India or abroad;
7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior management, Auditor and Compliance Officer.
7A.	Resignation of the auditor of the Company with detailed reasons for resignation of auditor, as given by the said auditor.
7B.	Resignation of an independent director of the Company. The Company shall, within seven days from the date of resignation, submit following disclosures to the stock exchanges as provided by the independent director; a. Detailed reasons for the resignation of independent director and b. Confirmation that there is no material reason other than the reason provided by the independent director
7C.	In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Company within seven days from the date that such resignation comes into effect.
7D.	In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8.	Appointment or discontinuation of share transfer agent.

9.	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details: (i) Decision to initiate resolution of loans/borrowings. (ii) Signing of Inter-Creditors Agreement (ICA) by lenders. (iii) Finalization of Resolution Plan. (iv) Implementation of Resolution Plan. (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders
10.	One time settlement with a bank.
11.	Winding up petition filed by any party/creditors.
12.	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 listed entity.
13.	Proceedings of Annual and extraordinary general meetings of the listed entity.
14.	Amendments to memorandum and articles of association of listed entity, in brief.
15.	a) Schedule of Analyst or Institutional Investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentation of financial results made by the Company to analysts or institutional investors; b) 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), in the following manner: (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier; (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
16.	The events in relation to the corporate insolvency resolution process as specified under Part A of Schedule III of SEBI (LODR) Regulations, 2015
17.	In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities: a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any Forensic Audit refers to audits that are initiated with the objective of detecting any misstatement in financials, misappropriation/siphoning, or diversion of funds.
18.	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a 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.
19.	Action(s) initiated, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, (along with the details as prescribed by SEBI LODR) in respect of the following: (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;
20.	Action(s) taken, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior

	management, promoter or subsidiary, in relation to the Company, (along with the details as prescribed by SEBI LODR) in respect of the following: (a) suspension. (b) imposition of fine or penalty. (c) settlement of proceedings. (d) debarment. (e) disqualification. (f) closure of operations. (g) sanctions imposed. (h) warning or caution; or (i) any other similar action(s) by whatever name called;
21.	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

SCHEDULE III
PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

Sl. No.	Events
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 listed entity 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 listed entity
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company
9.	Frauds or defaults by employees of the Company which has or may have an impact on the Company
10.	Options to purchase securities including any ESOP/ESPS Scheme.
11.	Giving of guarantees or indemnity or becoming a surety, by whatever name called, 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