



## PFIZER LIMITED DIVIDEND DISTRIBUTION POLICY

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## PFIZER LIMITED DIVIDEND DISTRIBUTION POLICY

### 1. Objective

The Dividend Distribution Policy of Pfizer Limited (“the **Company**”) has been adopted by the Board of Directors of the Company on January 30, 2017, pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to determine the parameters and factors which are to be considered for declaration of dividend.

This Policy applies to both interim and final Dividend declared or recommended by the Board of Directors of the Company in compliance with Section 123 of the Companies Act 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### 2. Effective Date

This Policy shall come into effect from January 30, 2017.

### 3. Definitions

“**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.

“**Chairman**” shall mean the Chairman of the Board of Directors of the Company.

“**Company**” means Pfizer Limited.

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

“**Dividend**” shall mean Dividend as defined under Companies Act, 2013 or SEBI Regulations.

“**SEBI Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, clarifications, circulars or re-enactment thereof for the time being in force.

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



#### **4. Policy**

##### **(i) Frequency of payment of dividend:**

The Board of Directors under ordinary circumstances recommends dividend once in a year at the Board Meeting held for adoption of annual financial statements. The Board may also consider declaring interim dividend when there is significant exceptional/extra-ordinary income/event (i.e., Amalgamation, Sale of Brands, divestiture of business, etc.)

##### **(ii) Circumstances under which shareholders may or may not expect dividend:**

In the ordinary circumstances the Board of Directors would consider recommending dividend on an annual basis. The Board will consider the Company's profitability, cash needs for working capital and capital expenditure and other relevant factors like dividend pay-out ratio, etc. while recommending dividend for any financial year. However, in the event where the Company's profits are inadequate or the Company suffers losses, the Board may consider recommending a lower dividend than the normal rate of dividend or may not recommend dividend.

In case of any significant expansion project requiring investments/funding or in case of any unforeseen material event restricting the Company's ability to consider payment of dividend, the Board may consider recommending a lower dividend than the normal rate of dividend or may not recommend dividend.

In case the Board proposes not to declare dividend, the reason for the same shall be disclosed in the Board's Report for that Financial Year.

##### **(iii) The financial parameters that shall be considered while declaring dividends:**

- a. Profits for the current year, future outlook for the Company and pharmaceutical industry.
- b. Working Capital needs and operating cash flow.
- c. Dividend pay-out ratio.
- d. Company's investment plans and related cash utilization, which has potential to create greater value for the shareholders.
- e. Any other relevant factors that the Board may deem fit to consider before declaring dividend.



**(iv) Internal and external factors that shall be considered for declaration of dividend:**

Following are the Factors that would be considered before declaration or recommendation of Dividend:

- a. The Internal Factors to be considered includes reserves & surplus and estimated profit for the following year, capital expenditure plans, working capital requirements, provision for unforeseen material events/contingencies and other business plans/projects.
- b. The External Factors to be considered includes, regulatory constraints impacting business, bank interest rate on surplus funds, dividend pay-out ratios of the peer companies, macro-economic factors and general business environment, etc.

**(v) Policy as to how the retained earnings shall be utilized:**

- a. The Company may retain the balances in Reserves and for exploring options for leveraging future growth and expansion.
- b. The Company would be very cautious in declaring dividend out of past profits and reserves.

**(vi) Transfer of Profits to Reserves:**

The Company will not transfer any amount to reserves unless otherwise statutorily mandated.

**(vii) Provisions regarding class of shares:**

The Company has issued only Equity Shares and this policy shall be applicable to Equity Shares.

As and when the Company issues other kind of shares, the Board shall amend this policy along with Rationale at the time or before issue of other class of shares.

**(viii) Procedure**

- a. In compliance with this Policy, the Chief Financial Officer in consultation with the Managing Director of the Company shall place the dividend proposal before the Board of Directors of the Company for its consideration
- b. The Compliance Officer of the Company shall ensure compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Rules of the Company.



c. The Company shall ensure compliance of provisions of Act, SEBI Regulations and this Policy in relation to the payment of Dividend.

#### **5. 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.

#### **6. 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.

#### **7. 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.

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