

## ***COLGATE-PALMOLIVE (INDIA) LIMITED***

### **Policy on Determination of Materiality of Event Or Information**

## **COLGATE-PALMOLIVE (INDIA) LIMITED**

### **Policy on determination of Materiality of Event or Information**

#### **I. OBJECTIVE**

This Policy is framed pursuant to Regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of the Policy is to determine the materiality of event or information of the Company and to make disclosures of such events or information to Stock Exchanges in timely manner to ensure good corporate governance.

#### **II. EFFECTIVE DATE**

This Policy is effective December 1, 2015

#### **III. 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”** means the Board of Directors of Colgate-Palmolive (India) Limited, as constituted from time to time.

**“Company”** means Colgate-Palmolive (India) Limited.

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

**“Listing Agreement”** shall mean an agreement that is to be entered or entered into between a recognized stock exchange(s) where securities of the Company are listed and the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**“Material Event” or “Material Information”** shall mean such event or information as may be determined based on the guidelines provided in the Regulations or as may be determined in terms of Clause IV of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

**“Policy”** means this Policy providing guidelines for determining materiality of event or information and as may be amended from time to time.

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

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

#### **IV. APPLICABILITY**

This Policy is applicable to the following events or information:

- 1) Events or information specified in Annexure I shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30);
- 2) Events or information specified in Annexure II shall be disclosed to the Stock Exchanges based on application of the criteria for materiality as specified in Clause V of this Policy;
- 3) Any other event or information which is considered as being material in the opinion of the Board of Directors of the Company

#### **V. GUIDELINES FOR DETERMINING MATERIALITY OF EVENT OR INFORMATION**

In order to determine whether a particular event/information is material in nature as per Regulation 30(4) of the Regulations, the Company may consider the 'quantitative' and/or 'qualitative criteria(s)' mentioned below:

(a) Quantitative:

- where the value involved or the impact exceeds 5% of the gross turnover or revenue or total income of the Company as per the last audited financial statements or exceeds 20% of the net worth of the Company as per the last audited financial statements; (the lower of the two thresholds shall be taken as the trigger);

(b) Qualitative:

- omission of events or information which is likely to :
  - o result in a discontinuity or alteration of event or information already available publicly; or
  - o result in significant market reaction if the said omission comes to light at a later date

The 'qualitative' test may always be applied to determine materiality, even in circumstances where the 'quantitative' tests thresholds are not met or the 'quantitative' test is otherwise not applicable.

Apart from the above mentioned criteria, any other event/information which is considered as being material in the opinion of the Board of Directors of the Company shall be promptly disclosed to the stock exchange(s).

#### **VI. AUTHORITY TO THE KEY MANAGERIAL PERSONNEL**

The Managing Director, the Whole-time Director & CFO and the Whole-time Director and Company Secretary & Compliance Officer shall jointly and severally have the authority to determine the materiality of any event or information and ensure disclosure of the same is made to the stock exchange(s).

**Contact details:**

<b>Name</b>	Ms. Prabha Narasimhan	Mr. M. S. Jacob	Mr. Surender Sharma
<b>Title</b>	Managing Director & CEO	Whole-time Director & CFO	Whole-time Director - Legal and Company Secretary & Compliance Officer
<b>Address</b>	Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai - 400 076. Phone: +91 022-67095050, Email id - <a href="mailto:investors_grievance@colpal.com">investors_grievance@colpal.com</a>		

Any transaction, event or information relating to the Company that might fall within the Scope, as specified in this policy, is required to be reported immediately by the employees of the Company to the Company Secretary & Compliance Officer of the Company. The Company should report any such transaction, event or information immediately and not later than 24 hours from happening of such transaction, event or information to the stock exchanges on which its securities are listed.

Further, any change in this Policy necessitated due to subsequent changes in the applicable provisions of any law/regulation shall be incorporated to give effect to such changes without any further act by the Board of Directors of the Company and the Company Secretary & Compliance Officer shall have the authority to amend the contents of the policy, whenever necessary, to bring them in line with any change(s) / amendment (s) in the provisions of the regulatory framework.

**VII. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Act; Regulations or any Statutory enactments; rules; the provisions of such Listing Agreement; Act or Regulations or any 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.

**VIII. DISPLAY OF THE POLICY**

This Policy shall be hosted on the website of the Company and the address of such web link shall be provided in the Annual Report of the Company in terms of the requirements of applicable law/regulation.

As approved by the Board of Directors on January 27, 2022 and effective from February 22, 2022.

## **Annexure – I**

As prescribed under Para - A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Events which shall be disclosed without any application of the guidelines for materiality as specified in Regulation 30:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation.- 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 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.
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. 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.
  6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
  7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

7B. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.

- 8. Appointment or discontinuation of share transfer agent.
- 9. Corporate debt restructuring.
- 10. One time settlement with a bank.
- 11. Reference to BIFR and 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

## **Annexure – II**

As prescribed under Para - B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Events which shall be disclosed upon application of the guidelines for materiality referred in Regulation 30:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) 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. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
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.