

BAJAJ FINSERV LIMITED

CIN: L65923PN2007PLC130075

Registered Office: Bajaj Auto Limited Complex, Mumbai-Pune Road,
Pune, Maharashtra, India-411 035

Website: <https://www.aboutbajajfinserv.com/about-us>

Email ID: investors@bajajfinserv.in

Tel: (020) 7157 6064 | Fax no.: (020) 7150 5792

POSTAL BALLOT NOTICE

[Pursuant to Sections 110 and 108 of the Companies Act, 2013 read with Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

NOTICE is hereby given that pursuant to the provisions of Sections 110 and 108 of the Companies Act, 2013 (the "Act") read with Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014 (the "Management Rules"), Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force and General Circular issued by the Ministry of Corporate Affairs (the "MCA") having reference No. 09/2023 dated 25 September 2023 read along with other connected circulars issued from time to time in this regard (the "MCA Circulars") and any other applicable law, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and as amended from time to time), the items of special business as set out in this Notice are proposed for consideration by the Members of Bajaj Finserv Limited (the "Company") through Postal Ballot via voting through electronic means (remote e-voting) only.

Item No. 1: Modification to Bajaj Finserv Limited Employee Stock Option Scheme:

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of the Special Resolution passed by the Members of the Company on 19 July 2018 in this regard, and pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Rules made thereunder, the Articles of Association of the Company, the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) and/or re-enactment(s) of the Act or the Guidelines, for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, and sanctions which may be agreed to by the Board of Directors of the Company at their sole discretion (hereinafter referred to as the "Board", which expression shall also include the Compensation Committee constituted by the Board for this purpose), consent of the Members, be and is hereby accorded for modification(s) to the scheme titled 'Bajaj Finserv Limited Employee Stock Option Scheme' (hereinafter referred to as "Scheme") as mentioned in the statement annexed to this Notice.

RESOLVED FURTHER THAT stock options granted/to be granted under the Scheme are convertible into equivalent number of equity shares and such shares as are issued by the Company shall rank pari-passu in all respects with the existing fully paid-up shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board of Directors, be and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution, without being required to seek any further consent or approval of the Members of the Company."

Item No. 2: Approval to extend the benefits and grant of options to the employee(s) of holding and/or subsidiary company(ies) under the Bajaj Finserv Limited Employee Stock Option Scheme:

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of the Special Resolution passed by the Members of the Company on 19 July 2018 in this regard, pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), the Rules made thereunder, the Articles of Association of the Company, the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) and/or re-enactment(s) of the Act or the Guidelines, for the time being in force and subject to such other approvals, permissions, and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company at their sole discretion (hereinafter referred to as the “Board”, which expression shall also include the Compensation Committee constituted by the Board for this purpose), consent of the Members, be and is hereby accorded for extending the benefits and grant of stock options to the employee(s) of holding and/or subsidiary company(ies) under the ‘Bajaj Finserv Limited Employee Stock Option Scheme’ (hereinafter referred to as “Scheme”), as modified from time to time.

RESOLVED FURTHER THAT stock options granted/to be granted under the Scheme are convertible into equivalent number of equity shares and such shares as are issued by the Company shall rank pari-passu in all respects with the existing fully paid-up shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board of Directors, be and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution, without being required to seek any further consent or approval of the Members of the Company.”

By order of the Board
For **Bajaj Finserv Limited**

Sd/-
Uma Shende
Company Secretary
Membership No.: A38364

Place: Pune
Date: 30 January 2024

NOTES:

1. Statement pertaining to the resolutions setting out the material facts, as required under Section 102 of the Act, SS-2 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "ESOP Regulations") is annexed to this Notice.
2. In terms of the MCA Circulars, this Notice along with the instructions regarding e-voting is being sent only by email to all those Members, whose email addresses are registered with the Company or the RTA or with the depository(ies)/depository participants ("DPs") and whose names appear in the register of Members/list of beneficial owners as on the Cut-off date i.e., Friday, 16 February 2024. The Notice is available on the Company's website (select the tab 'General Meetings & Postal Ballots' in the drop down provided) at <https://www.aboutbajajfinserv.com/investor-relations-forms>, website of E-voting service provider i.e., KFin Technologies Limited ("KFin" or "Kfintech") at <https://evoting.kfintech.com> and on the websites of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com). All the Members of the Company, as on the Cut-off date, shall be entitled to vote in accordance with the process specified in this Notice. Any person who is not a Member on the Cut-off date shall treat this Notice for information purpose only. In this Notice, the terms Member(s) or shareholder(s) are used interchangeably.

In line with the MCA Circulars, physical copy of the Notice, Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot.

3. The Company hereby requests all its Members to register their email address, if not yet registered, by following the instructions mentioned under Note no. 4 to enable the Company to provide all communications through email.
4. SEBI has mandated that any service request from Members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details (ISR-1) and nomination (SH-13/ISR-3). Members are requested to submit the aforesaid Forms duly filled and signed along with self-attested copy of the PAN card and such other documents as prescribed in the Forms, to register or update:
 - a) PAN, KYC details and nomination;
 - b) E-mail address to receive all communications through electronic means.

The said Forms are available on the Company's website (select the tab 'Investor Service Request' in the drop down provided) at <https://www.aboutbajajfinserv.com/investor-relations-forms> and on the website of KFin at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

Members have an option to submit the Forms in-person at any of the branches of KFin, details of which are available at <https://www.kfintech.com/contact-us/> or submit e-signed Forms online along with requisite documents by accessing the link <https://ris.kfintech.com/clientservices/isc/default.aspx#> or physical forms can be sent through post at following address:

KFin Technologies Ltd.
Unit: Bajaj Finserv Ltd.,
Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032
Toll free No.: 1800 309 4001

Members holding shares in dematerialised mode, who have not registered/updated their aforesaid details are requested to register/update the same with the respective DPs.

5. In accordance with the MCA Circulars, the relevant documents referred to in this Postal Ballot Notice will be made accessible for inspection through electronic mode.
6. The Board of Directors, at its meeting held on 30 January 2024, have appointed Shyamprasad D Limaye, Practicing Company Secretary (FCS No. 1587, CP No. 572) as the 'Scrutiniser' for the Postal Ballot process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
7. The e-voting shall commence on Friday, 23 February 2024 at 9.00 a.m. (IST) and end on Saturday,





23 March 2024 at 5.00 p.m. (IST). The e-voting module shall be disabled by KFin for voting thereafter and voting shall not be allowed beyond the said date and time. During this period, the Members of the Company holding shares as on the Cut-off date, i.e., Friday, 16 February 2024, may cast their vote by electronic means in the manner given in Note no. 9. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

8. The Scrutiniser shall, after conclusion of the voting period, submit his report, within prescribed timelines to the Chairman and Managing Director of the Company, who shall countersign the same and declare the results thereof. Results of the voting will be declared by placing the same along with the Scrutiniser's report on the Company's website (select the tab 'E-Voting and Scrutinizers Report' in the drop down provided) at <https://www.aboutbajajfinserv.com/investor-relations-stock-exchange-filings> as well as on the website of KFin viz., <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges, within two working days from last date of voting, i.e. on or before Wednesday, 27 March 2024 at or about 5:00 p.m. and the outcome will be made available at the registered office as well as at the corporate office of the Company. Subject to receipt of requisite number of votes, the resolution(s) mentioned in the Notice shall be deemed to be passed on Saturday, 23 March 2024 i.e., last day of the e-voting period.
9. The details of the process and manner for remote e-voting are explained herein below:

I) Login method for remote e-voting for individual shareholders holding securities in demat mode:

Pursuant to SEBI Master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023 on 'e-voting facility provided by Listed Companies', e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/registered DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby facilitating not only seamless authentication but also ease and convenience of participating in e-voting process.

Login method for individual shareholders holding securities in demat mode is given below:

Type of Shareholder	Login Method
Individual shareholders holding securities in demat mode with NSDL	<p>A. User already registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 1. Open web browser and type the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or ESP - KFintech and you will be re-directed to ESP’s website for casting your vote during the e-voting period. <p>B. User not registered for IDeAS e-Services:</p> <p>Option to register is available at https://eservices.nsdl.com Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> <p>C. By visiting the e-Voting website of NSDL:</p> <ol style="list-style-type: none"> 1. Visit the e-voting website of NSDL. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the “Login” icon, available under the “Shareholder/Member” section. 2. A new screen will open. Enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 3. Click on options available against Company name or ESP - KFintech and you will be re-directed to ESP’s website for casting your vote during the e-voting period. <p>D. NSDL Speede</p> <ol style="list-style-type: none"> 1. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>

Individual shareholders holding securities in demat mode with CDSL	<p>A. Existing user who have opted for Easi/Easiest:</p> <ol style="list-style-type: none"> 1. Open web browser and type: https://www.cdslindia.com/ and click on login icon and select New System - Myeasi. 2. Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. 3. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The menu will have links of ESPs. Click on KFintech to cast your vote. <p>B. B. User who have not opted for Easi/Easiest:</p> <p>Option to register for Easi/Easiest is available at https://www.cdslindia.com/, proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> <p>C. C. By visiting the e-Voting website of CDSL:</p> <ol style="list-style-type: none"> 1. The user can directly access e-voting page by providing Demat Account Number and PAN from a link in https://www.cdslindia.com/. The system will authenticate the user by sending OTP on registered Mobile and e-mail ID as recorded in the demat Account. 2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of ESP i.e., KFintech.
Individual Shareholders (holding securities in demat mode) logging through their DPs	<ol style="list-style-type: none"> 1. Shareholders can also login using the login credentials of their demat account through their DP registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL website after successful authentication, wherein you can see e-voting feature. 3. Click on option available against Company name or ESP - KFintech and you will be redirected to ESP's website for casting your vote during the remote e-voting period.

Important Note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID or Forget Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e., NSDL and CDSL:

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33

II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e., User ID and Password mentioned in your e-mail. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. Upon successful login, the system will prompt you to select the EVENT i.e. Bajaj Finserv Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date i.e., Friday, 16 February 2024 will appear.

If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR" and/or "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN", in which case, the shares held will not be counted under either head.

- ix. Members holding multiple folios/demat accounts shall follow the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at cssdlimaye@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "BFS_EVENT No."
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual available at <https://evoting.kfintech.com/public/Downloads.aspx> or call KFin on toll free no. 1800 309 4001.

Members, who hold shares and who have not registered their email ID, as on the cut-off date i.e., Friday, 16 February 2024, may participate in the e-voting by registering their email ID by following instructions mentioned at note No. 4. Post registration, such Member may request for User ID and password for e-voting by sending an email to einward.ris@kfintech.com / evoting@kfintech.com through his/her registered email ID to obtain the same.

Members may also reach out to Mohd. Mohsinuddin - Senior Manager, KFin at mohsin.mohd@kfintech.com / einward.ris@kfintech.com or Uma Shende - Company Secretary, at uma.shende@bajajfinserv.in or Investors@bajajfinserv.in or at 020-7157 6064.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT"), SECRETARIAL STANDARD ON GENERAL MEETING ("SS-2") AND SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 ("ESOP REGULATIONS"):

Item Nos. 1 and 2: Modification to the Bajaj Finserv Limited Employee Stock Option Scheme (hereinafter referred to as the "Scheme" or "BFS - ESOS") and approval to extend the benefits and grant of options to the employee(s) of holding and/or subsidiary company(ies) under the Scheme:

The Company, presently, administers and issues stock options to its employees (which includes holding and subsidiary companies), through BFS – ESOS. ESOP Regulations have expanded the categories and base of employees who could be eligible for grant of options. Hence, it is proposed to update the Scheme in line with the ESOP Regulations. Keeping in view the documentation requirements and practical challenges in obtaining the same, a longer time frame has been proposed for certain events.

Accordingly, following is the summary of proposed changes:

Sr. No.	Current provisions	Revisions proposed
1.	Employees of holding and subsidiary companies are eligible for grant of stock options.	To extend the scope of employees to group companies and associates in addition to employees of holding and subsidiary companies.
2.	<u>In case of retirement:</u> Unvested options will vest 2 months prior to the last working day for all grants other than grants where 12 months are not completed. All vested and unvested options to be exercised within 6 months from the last working day.	<u>In case of retirement:</u> a) The vesting schedule of all the unvested options shall continue as per the respective grants. b) Vested options to be exercised before the expiry as specified for each grant.
3.	Continuance of vesting of options in case of deputation or transfer to subsidiary/holding company.	An employee transferred/deputed/seconded to another Company (as determined by the Compensation Committee) will not be treated as resignation and vesting of options granted will continue as per vesting schedule.
4.	<u>Death/Permanent Incapacity:</u> Vested and unvested options by legal heirs/nominee/employee within 6 months of the event.	<u>Death/Permanent Incapacity:</u> Vested and unvested options to be exercised by legal heirs/nominee/employee within 18 months from the date of event.

Details of modification to the scheme are provided in **Annexure – A**.

A copy of the Scheme incorporating the aforesaid modifications shall be available for inspection by the Members. Members who wish to inspect are requested to send an e-mail to investors@bajajfinserv.in mentioning their name, Folio No./Client ID and DP ID, with a self-attested copy of their PAN card attached to the e-mail.

Disclosures pursuant to the ESOP Regulations and the Act (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force), are as under:

1. Brief description of the Scheme:

The BFS-ESOS provides for grant of stock options to the employees and/or directors of the Company and/or its holding or subsidiary company(ies) or group companies or associate companies, if any, as may be permissible under the ESOP Regulations (hereinafter referred to as 'Employees'). Each stock option will be, upon exercise, converted into one fully paid-up equity share of the Company of face value of Re. 1. The scheme is implemented and administered by Trust.

2. Total number of stock options to be granted:

Total stock options up to 4,50,00,000 (adjusted to stock – split and bonus issue in September 2022), convertible into 4,50,00,000 equity shares of the face value of Re. 1 each fully paid-up, would be available for being granted under the BFS-ESOS. Vested options lapsed due to non-exercise and/or unvested options which get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

3. Identification of classes of Employees entitled to participate and be beneficiaries in the Scheme:

The Scheme contains an enabling clause to the effect that the employees of the Company, and its holding and/or subsidiary company(ies)/group/associate(s) (as proposed herein), if any, as defined in the ESOP Regulations (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force), and as may be decided by the Compensation Committee from time to time, excluding the employees, who are either promoter or who belong to the promoter group as defined in the ESOP Regulations, are eligible to participate in the Scheme.

The class of employees eligible for participating in the BFS-ESOS shall be determined on the basis of grade of the employee, role/designation of the employee, length of service, overall performance, merits of the employee, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion from time to time.

Presently, the stock options are granted to employees of the Company and its subsidiary company(ies).

4. Requirements of vesting and period of vesting:

The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

Save and except in the event of death, permanent incapacity or such other events as may be specified under the ESOP Regulations, the options would vest not earlier than one year and up to 10 years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of 1 year from the date of grant of options.

5. Maximum period within which the options shall be vested:

Options granted under scheme will vest up to a maximum period of 10 (ten) years from the date of grant of such options or such period as may be decided by the Compensation Committee at the time of each grant of options, as stated above.

6. Exercise price or pricing formula:

The exercise price for the purpose of grant of options will be the closing market price one day prior to the date of grant on the stock exchange where the highest trading volume of the equity shares of the Company is registered.

7. Exercise period and the process of exercise:

The exercise period may commence from the date of vesting and will expire on completion of 8 years from the date of vesting of options, or such period as may be decided by the Compensation Committee at its sole discretion from time to time.

However, in case of death and permanent incapacity, the exercise period for vested and unvested stock options would be within 18 months (as proposed herein) from the date of event.

In case of retirement, unvested options shall vest, as per respective vesting schedule, and the vested options, be exercised before the due date of expiry of options.

The options will be exercisable by the option grantees by an application to the Trust to exercise the options, remittance of requisite amount and on execution of necessary documents. The options will lapse, if not exercised within the specified exercise period.

8. The appraisal process for determining the eligibility of the Employees for the Scheme:

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee and will be based on criteria such as grade of the employee, role/designation of the employee, length of service, overall performance, merits of the employee, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion from time to time.

9. Maximum number of options to be offered and issued per Employee and in aggregate under the scheme(s):

The maximum number of options granted per employee will be determined by the Compensation Committee on a case-to-case basis. The maximum number of options granted per Employee will not exceed 80,00,000 options [adjusted to stock-split and bonus issue].

10. Maximum quantum of benefits to be provided per employee under the Scheme:

No benefit other than grant of options is envisaged under the scheme. Maximum benefit shall, accordingly, refer to the maximum number of options that may be issued per employee.

11. Whether the Scheme is to be implemented and administered directly by the Company or through a Trust:

The BFS-ESOS is implemented and administered through Bajaj Finserv ESOP Trust (hereinafter referred to as "Trust").

12. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

At the discretion of the Compensation Committee, the BFS-ESOS may involve new issue of shares by the Company or secondary acquisition by the Trust or both.

13. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms, etc.:

The Company and/or its holding and subsidiary company(ies) may provide an interest free loan to the Trust to the extent required by it for the purchase of and/or subscription to equity shares of the Company for the purpose of issue of equity shares to the Employees of the respective company on exercise of stock options granted to them. The loan will be repaid by the Trust to the respective company upon receipt of exercise price by the Trust.

14. Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Scheme:

In terms of shareholders resolution dated 19 July 2018 read along with explanatory statement, the Trust can undertake secondary acquisition of equity shares of the Company so that the total number of shares under secondary acquisition held by the Trust shall not exceed, at any time, 5% of the paid-up equity shares of the Company as on 31 March 2018.

Further, the number of equity shares of the Company that can be acquired by the Trust from the secondary market in any financial year shall not exceed 2% of the number of paid-up equity shares of the Company as at the end of the previous financial year.

15. A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15 of ESOP Regulations:

The Company shall follow Ind AS 102 'Employee Share-based Payments', the Guidance Note on Accounting for Employee Share based Payments, as applicable, and/or any relevant Accounting Standards/Guidance Note as may be prescribed by the Institute of Chartered Accountants of India, from time to time, including the disclosure requirements prescribed therein.

16. The method which the company shall use to value its options:

The Company shall use the fair value method as per the Black-Scholes model for valuation of the options granted under the BFS-ESOS.

17. The following statement, if applicable:

"In case the company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' Report".

The above said statement is not applicable to the Company. As mentioned at Sr. No. 15 and 16, the Company is required to recognize share based employee benefits expense using value of options as per Black-Scholes model.

18. Period of lock-in:

The equity shares arising out of exercise of vested options would not be subject to any lock-in period after such exercise.

19. Terms & conditions for buyback, if any, of specified securities covered under these regulations:

Presently, there is no proposal to undertake the buyback of employee stock options.

As per ESOP Regulations, the Company may by Special Resolution vary the terms of the scheme, provided that such variation is not prejudicial to the interests of the employees.

As per ESOP Regulations, separate resolution is required to be passed if the benefits of stock options are to be extended to employees of holding and/or subsidiary company(ies). Since the gamut of grant of stock options extends, presently, to employees of subsidiary(ies) and an enabling approval for employee(s) of holding company under the modified scheme, separate resolution is being proposed at Item No. 2 of this Notice as per Regulation 6(3)(c) of the ESOP Regulations.

Based on the recommendation of Compensation Committee, the Board of Directors, at its meeting held on 30 January 2024, approved the modifications to the Scheme and hereby recommends passing of the Special Resolution(s) as set out in Item Nos. 1 and 2 of the Notice for approval of the Members.

It is reiterated that none of the Promoters and Independent Directors of the Company or their relatives are interested in the passing of the resolution since they are not entitled to any stock options. However, they may be deemed to be concerned or interested, to the extent of shareholding, if any in the Company.

The Chairman and Managing Director, and other Key Managerial Personnel of the Company, its holding/ subsidiary(ies)/group/associate(s) (as proposed herein), are deemed to be concerned or interested, to the extent of stock options granted/to be granted pursuant to the scheme and to the extent of shareholding held by them or their relatives, if any, in the Company.

Annexure – A

Details of proposed modification to the scheme, *inter alia*, covering the following:

Sr. No.	Clause No.	Existing Clause	Proposed Clause
1	1.2	The objective of BFS-ESOS is to attract, retain, reward and motivate Employees to contribute to the growth and profitability of Bajaj Finserv Limited ('the Company') including subsidiary companies/holding company, if any.	The objective of BFS-ESOS is to attract, retain, reward and motivate Employees to contribute to the growth and profitability of Bajaj Finserv Limited ('the Company') including subsidiary company(ies)/ holding company/ associate company(ies)/ group company(ies), if any.
2	2.1 (ix)	<p>"Employee" means –</p> <ul style="list-style-type: none"> (i) a permanent employee of the Company working in India or out of India; or (ii) a director of the Company, whether a whole-time director or not but excluding an independent director; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a subsidiary, in India or out of India, or of a Holding Company of the Company, but excludes: <ul style="list-style-type: none"> a. an employee who is a promoter or belongs to the promoter group; b. a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity Shares of the Company. 	<p>"Employee" means –</p> <ul style="list-style-type: none"> (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company, but does not include– <ul style="list-style-type: none"> a. an employee who is a promoter or a person belonging to the promoter group; or b. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.
3	2.1 (xvii)	-	<p>"Group" means two or more companies which, directly or indirectly, are in a position to–</p> <ul style="list-style-type: none"> a. exercise twenty-six per cent. or more of the voting rights in the other company; or b. appoint more than fifty per cent. of the members of the Board of Directors in the other company; or c. control the management or affairs of the other company.
4	3.3	-	Vide resolution passed through postal ballot on 2 September 2022, the Company has sub-divided equity shares of having face value of Rs. 5/- to five equity share of face value of Re. 1/- and issued bonus equity shares in the ratio of 1:1. Accordingly, the maximum number of options that can be granted under the scheme stands at 4,50,00,000. The maximum number of options granted per employee, has been adjusted, to not exceeding 80,00,000 options.

5	7 (b)	Exercise period in case of separations –				
		Separations	Unvested options		Vested Options	
			Existing	Proposed	Existing	Proposed
		Retirement	Will vest 2 months prior to the last working day for all grants other than grants where 12 months are not completed. To be exercised within 6 months from the last working day.	All unvested options will vest as per the vesting schedule and to be exercised before expiry of options.	To be exercised within 6 months from the last working day.	To be exercised before the expiry of options.
		Transfer/ Deputation/ Secondment /Movement to another company	Vesting schedule and exercise period to remain as per the terms of the grant. In case of subsequent separation, if any, from the Company, holding company or any of subsidiary companies, treatment of unvested options shall be as per applicable circumstance mentioned in this table.	All unvested options will vest as per the vesting schedule and to be exercised before expiry of options.	Exercise period to remain as per the terms of the grant. In case of subsequent separation, if any, from the Company, holding company or any of subsidiary companies, treatment of vested options shall be as per applicable circumstance mentioned in this table.	All vested options to be exercised before expiry of options.
		Death	To be exercised by the nominee of the employee as per company's records or legal heir(s) within 6 months from the date of death.	To be exercised by the legal heirs or nominee of the employee within 18 months from the date of death.	To be exercised by the nominee of the employee as per company's records or legal heir(s) within 6 months from the date of death.	To be exercised by the legal heirs or nominee of the employee within 18 months from the date of death.
		Permanent Incapacity	To be exercised by the employee within 6 months from the date of disability.	To be exercised by the employee/ nominee within 18 months from the date of disability.	To be exercised by the employee within 6 months from the date of disability.	To be exercised by the employee/ nominee within 18 months from the date of disability.