

## Criteria for payment of remuneration to Non-executive Directors (NEDs) of Bajaj Finance Ltd ('the Company')

All the Directors of the Company are Non-executive Directors.

The NEDs play a crucial role to the independent functioning of the Board. NEDs bring in external and wider perspective to the decision-making by the Board. They provide leadership and strategic guidance, while maintaining objective judgment. The NEDs also help the Company in ensuring that all legal requirements and corporate governance are well taken care of.

The responsibilities and obligations imposed on the NEDs have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

Remuneration to the NEDs:

### Sitting fees

Non-executive directors are paid a sitting fee of ₹ 100,000/-\* for every meeting of the Board and/or committee thereof attended by them.

### Commission

Pursuant to the authorization from the shareholders, the Board of Directors has decided to pay, with effect from 1 June 2021 commission to the NEDs @ ₹ 2,50,000/-\*\* for every meeting of the Board and/or committee thereof attended by them, subject to an aggregate amount not exceeding 1% of the net profits of the Company for the year.

Depending on the additional time devoted and contribution made, the Board of Directors, from time to time, decides to pay additional commission to one or more NEDs.

Apart from sitting fees and commission referred to above and reimbursement of travelling and stay expenses for their attending the Board and committee meetings, no payment by way of bonus, pension, incentives etc. is made to any of the NEDs.

The Company has not issued any stock options to the NEDs.

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\*increased from ₹ 50,000/- to ₹ 100,000/- with effect from 1 April 2019

\*\*increased from ₹ 200,000/- to ₹ 250,000/- with effect from 1 June 2021