



FINSERV

BAJAJ FINANCE LTD. DISCIPLINARY ACTIONS & GRIEVANCE REDRESSAL POLICY

Table of Content

S No	Content	Page No
1	PURPOSE	3
2	POLICY SCOPE & APPLICABILITY	3
3	POLICY GUIDELINES	3-4
4	DISCIPLINARY POLICY & PROCEDURE	4-8
5	POLICY COMMUNICATION	8
6	REVIEW	8



1. PURPOSE

The policy aims to create an internal governance framework for the organization that defines 'unacceptable' employee actions and the resultant redressal approach to address such instances. It is designed to achieve fair methods for dealing with disciplinary and other matters (including, but not limited to, conduct, capability, and attendance), thereby contributing to sound relationships between Bajaj Finance Limited ("BFL or the "Company"), its subsidiaries and all employees.

The policy is not intended to be punitive in nature but outlines a staircase methodology and specifies action committees who would be responsible to investigate and address various type of incidents as and when they are reported and/or identified. However, the procedural steps set out in this policy are a guide to be taken to deal with each situation reasonably and, wherever possible, help the person concerned to improve their conduct of behavior to reach acceptable standards. The steps taken will depend upon the circumstances in each case and the point at which the disciplinary procedure is initiated, or the omission of any of the stages, will depend entirely on the seriousness and the nature of the misconduct.

Further, this policy also encourages employees to voice concerns about perceived injustice, mistreatment, or persistent obstacles caused due to interpersonal issues or issues arising from interpretation and implementation of Company's policies and processes. The idea is to emphasize on the importance of a harmonious relationship amongst the employees and to facilitate them to be able to address any grievances relating to their employment with the Company and in relation to interaction with superiors and/or peers at the workplace.

2. POLICY SCOPE & APPLICABILITY

This policy and process document along with its annexure(s) is applicable to GB01 and above full-time employees, as well as trainees, management trainees, apprentices, and interns of BFL.

3. POLICY GUIDELINES

3.1 ROLES & RESPONSIBILITIES - COMPANY'S EXPECTATION

- 3.1.1 All the employees shall update themselves with the procedures set out in this policy and to carry out your job in accordance with the Policy / Process applicable to your role.
- 3.1.2 All the employees shall comply with the Code of Ethics and Personal Conduct (CoEPC) and policies of the Company and shall not engage in any act/omission resulting into an infraction at all times.
- 3.1.3 To maintain effective and professional work relationships with colleagues / fellow staff and treat all with dignity and respect.
- 3.1.4 To behave appropriately and in line with all the Company's rules, policies, and procedures with colleagues/fellow staff/team, customers, visitors to the Company and always, understanding the impact of your behaviour on others.
- 3.1.5 To clarify expectations, behaviours, and rules with your reporting manager if you are unsure about them.
- 3.1.6 The employees shall co-operate with their reporting manager, Human Resource ("HR") and the Disciplinary Action Committee ("DAC") and participate in the disciplinary proceedings as and when required for the resolution of the infractions alleged against them.

3.2 ROLES & RESPONSIBILITY - MANAGER

- 3.2.1 Manage and to set an example to all staff/team through their own conduct and behaviour.
- 3.2.2 Reinforce clear standards for the conduct of all staff/team that they manage and provide appropriate feedback to their staff/team in respect of their conduct.
- 3.2.3 The reporting manager shall endeavour to resolve the issues of potential infractions initially through informal discussion with the employee.
- 3.2.4 The reporting manager shall act promptly upon receipt of a complaint against any employee and where necessary, shall ascertain the veracity of the complaint and its background.
- 3.2.5 The reporting manager, in consultation with the HR, will be responsible to issue the necessary communication to the employee, upon finalization of the decision of the DAC and will, along with the HR, be responsible for ensuring that the decision is fully implemented.

- 3.2.6 The reporting manager shall monitor the employee's improvement, or lack thereof, in applying the prescribed corrective action.
- 3.2.7 The Manager shall seek advice from the HR on the policy and procedure where they are unsure how to proceed.

3.3 OTHERS

- 3.3.1 The complainant will not be penalized in any manner and no retaliatory action will be taken against anyone for reporting or inquiring in good faith about potential infractions or for seeking guidance on how to handle suspected infractions. However, the Company reserves the right to take appropriate action against the complainant in case of frivolous and false complaints.
- 3.3.2 HR shall be responsible to spread awareness amongst all the employees with respect to these procedures and shall ensure that new employees are made aware of these procedures at the time of induction. HR will clarify any queries that the employees may have in relation to these procedures set out in this policy.
- 3.3.3 HR will be responsible to ensure facilitation of the disciplinary proceedings and will assist in the implementation of the disciplinary action recommended by the DAC.

4. DISCIPLINARY POLICY & PROCEDURE

The procedures are primarily tools to help and encourage improvement amongst employees/ staff whose conduct is unsatisfactory and are not viewed simply as a way of imposing sanctions.

4.1 PRIMARY AREA FOR DISCIPLINARY ACTION

There are two primary areas in which disciplinary action may be required in order to maintain the smooth and effective running of BFL.

- 4.1.1 The two areas are: Misconduct - This applies where it is alleged that there is some fault or blame on the part of the employee concerned. Misconduct can include, but will not be limited to, indulging in verbal abuse, persistent poor timekeeping, insubordination, disruptive behaviour, or any other act which BFL considers to be a breach of the standards of discipline/ behaviour required.
- 4.1.2 Gross misconduct - Gross misconduct includes, but is not limited to, the incidents and/or actions indicated below which are not conclusive of all actions that shall be considered as within the scope of 'Major Misconduct' in this Disciplinary Action Policy ("DAP"). The severity of the action will be duly assessed by the DAC and appropriate categorization of action would occur there-in which may map an action as either Minor, Medium, or Major severity and may in-turn be added to this list of Major Misconduct detailed below, as addendums to the current policy:
- Failure to work in accordance with prescribed Company guidelines, policies, procedures and CoEPC;
 - Sexual harassment at the workplace (which will be dealt as per the Prevention of Sexual Harassment Policy).
 - Breach of confidentiality, prejudicial to the interest of the Company.
 - Consumption of drugs or alcohol during office hours/premises;
 - Breach of IT policy/ procedures like Password sharing, Unauthorized sharing of private, confidential or proprietary data, including customer data, with external parties (except as required by law, regulations or on the instructions of a regulatory authority);
 - Unauthorized possession of Company's property/assets;
 - Storing or accessing or sharing the illicit content on the organization's assets, such as desktop/laptop (within or outside the organization);
 - Breach of Security Procedures;
 - Physical assault, Violence or Intimidation at the workplace;
 - Display of unprofessional behaviour, dishonesty, insubordination, indiscipline and misbehaviour with seniors or colleagues
 - Moral turpitude (including non-adherence to the norms of acceptable interaction and behaviour in office or outside office);
 - Frequent absence from work /Absconding from work/services for a period of 7 consecutive working days without valid reason, notification, or authorization/approval;

- False declaration of qualifications or professional registration or concealing/ omitting critical information as part of Background verification report;
- Tampering and manipulating official documents or serious omission of facts
- Falsification of records (for example, information relating to employment, expense claims etc.)
- Malfeasance, fraud, or other financial irregularities perpetrates while in employment of the Company;
- Misappropriation, Misuse or wilful damage to the property or reputation of the Company;
- Bribing or attempting to bribe another individual, or personally taking or knowingly allowing another person to take a bribe;
- Striking work or inciting/abetting others to strike from doing work;
- Victimization of other employees;
- Conduct prejudicial to the best interests of the Company;
- Non-compliance/violation of laws, regulations, guidelines, and procedures (such as RBI, SEBI etc.);
- Damage or apprehended damage to the Company's reputation;
- Non-compliance with service rules and repeated minor misconducts;
- Any other acts/ incidents that may amount to a serious criminal offence under law and/or is prejudicial to the best interests of the Company.

4.2 SEVERITY CATEGORIZATION

4.2.1 Minor Severity Incidents

An incident shall be categorized as 'Minor Severity' if it is ascertained that it has occurred unintentionally and that such action(s) was unusual and outside the scope of normal business practices and that it has resulted in a cognizable and negative impact.

Such actions shall, by virtue of their severity attract a corrective response from the designated authority, who would aim to address the severity of such negative actions to the concerned employee in a way that they understand the damage caused by their actions and is reasonably punished to curtail a recurrence of such action in the near future.

4.2.2 Medium Severity Incidents

An incident shall be categorized as 'Medium Severity' if it is ascertained that it has occurred consciously and that such action(s) has resulted in a cognizable and negative impact.

Such actions shall by virtue of their severity attract a corrective action from the designated authority, who would aim to exemplify the severity of such negative actions to the concerned employee and the organization in general in a way such that they understand the damage caused by their actions and is reasonably punished to either curtail the recurrence of such action in the near future, or permanently limit any future opportunity for such action to be repeated by the concerned employee(s).

4.2.3 High Severity Incidents

An incident shall be categorized as 'Major Severity' if it is ascertained that it has occurred consciously, and beyond the reasonably accepted scope of business practice, thus resulting in a permanent, objectionable, and significant negative impact.

Such actions shall by virtue of their severity attract strong corrective action (including termination of employment) from the designated authority, who would aim to exemplify the severity of such negative actions to the concerned employee and to all the members of the organization in general. In addition to disciplinary action that may be initiated by the Company, further legal action may also be initiated by the organization to the extent as prescribed by applicable laws in India.

Any actions undertaken at an individual level, while representing the organization/Company or otherwise, including during international visits or contest trips or off site(s) or recreational trips organized by or on behalf of the Company which result in tarnishing the Company's image will be treated as a major severity incident.

The Company shall also reserve the right to initiate civil and criminal proceedings, if required, to ensure safekeeping of the organisation's image and reputation.

4.3 COMPOSITION & QUORUM OF DISCIPLINARY ACTION COMMITTEE

DAC shall consist of certain senior management representatives from different functional areas in the organization. The committee will constitute of minimum of 4 members and maximum of 6 members. CHRO and General Counsel are the permanent members of the committee.

If a complaint is lodged with the DAC against one of its members, such member against whom the complaint has been registered will be removed from the DAC. In such cases the management shall identify another senior management member as a replacement.

The minimum quorum required for conducting meeting of DAC shall be the presence of at-least three (3) members.

4.4 INVESTIGATION

At every instance of disciplinary misconduct, the procedure stated below must be followed.

When informed of a case of disciplinary misconduct, the disciplinary proceedings shall be initiated by the disciplinary committee or an ad-hoc disciplinary committee.

- An independent investigating officer (or an authorised person having no interest in the matter, shall be appointed /authorised by the DAC. Officer or the person will, where appropriate, investigate the facts and collate all the evidence as soon as reasonably practicable.
- The officer or person engaged in an investigation should keep an open mind and should not judge the issues until all the facts have been ascertained.
- The officer or person investigating the matter may briefly record the conversation over email and obtain acceptance confirmation from the witnesses.
- The Company will endeavour to gather all the evidence and interview relevant witnesses.
- The concerned employee shall be given an opportunity to present their case with supporting evidence. The employee would be provided an opportunity to respond to the show cause notice issued by the company.
- No decisions will be taken until the investigation and the disciplinary procedure has been completed.
- The employee will not normally have the right to legal representation/ hearing at the investigation stage. In exceptional circumstances involving gross misconduct, a modified procedure may apply with the approval of the HR Department.
- When dealing with information from witnesses, who wish to provide such evidence in confidence, it will still be preferable to obtain a written statement or through any other electronic means (Video Recording/E-mail) of communication. Alternately, the official investigating the matter may briefly record the conversation over email and obtain acceptance confirmation from the witnesses.
- Where possible those individuals interviewed will be assured of anonymity and discretion at all stages of the investigation. Further, all the individuals involved in the disciplinary process are required to ensure that confidentiality is maintained throughout the disciplinary action process.
- Publishing/ communicating or in any other manner making known to the public, press or media or to any other person who is not authorised to receive, any information in relation to the process, the identity of the employees involved, the investigation and disciplinary proceedings, recommendations of the DAC, is strictly prohibited and appropriate action shall be taken against the defaulting employee.

4.5 MANNER OF DISCIPLINARY PROCEEDINGS

The disciplinary proceedings shall be conducted in a professional and constructive way and with utmost confidentiality and shall involve the following steps:

- Investigation of the misconduct by the investigating officer including conducting interviews of the relevant persons and inspection of the necessary documents and records.
- Investigating Officer or DAC may assign investigation to Audit, Risk, HR, or any appropriate department in the organization or any external agency, if it involves certain expertise / specialized services, depending on severity of a case.
- If the outcome of the investigation reveals sufficient evidence in relation to the misconduct, the investigation officer shall prepare a charge sheet clearly setting forth the findings of the investigation and the nature of charges against the concerned employee. Such charge sheet is to be submitted with the HR within ten [10] working days of their appointment.
- The charge sheet along with the findings of the investigation shall be sent to the concerned employee along with a show cause notice providing the employee with the opportunity to provide a written response defending their case within a reasonable period. A copy of the charge sheet and the findings of the investigation shall also be sent to the DAC.
- However, where there is confession from the employee at any stage of investigation Show Cause need not be issued.
- Following receipt of the charge sheet, investigation findings and response from the concerned employee, the DAC shall hold a hearing in accordance with the principles of natural justice. The employee will be entitled to inspect the documents and records produced as evidence and make further submissions, if any.
- In the event that employee fails to attend the hearing despite reminders or does not reasonably co-operate in the investigation with a view to delay the process, the DAC will be entitled to base its decision basis the response submitted by the employee and the information available at hand.
- After the hearing, the DAC shall prepare a report along with its recommended action based on the findings of investigation and submissions made before the DAC at the hearing and send the same to the HR department for taking necessary action.
- The DAC may take any of the actions depending on the findings of the investigation report, submission of the employee and other facts and circumstances submitted: (i) No Action; (ii) Counselling; (iii) Verbal Warning; (iv) Written Warning; (v) Demotion; or (vi) Termination from employment; (vii) Incentive Docking with or without warning or any suitable action as deemed appropriate.
- Upon receiving the report of the DAC, the HR department will issue a closure letter to the employee as soon as possible informing such employee of the decision of the DAC and reasons for the same.
- The disciplinary proceedings should be completed within ninety [90] days once it has been determined that the act of misconduct necessitates a disciplinary action. The period of ninety [90] days may only be extended by the DAC for cogent reasons.

4.6 EMPLOYEES' RIGHTS

At each stage of the disciplinary procedure, the employee shall have the right:

- To be informed of the complaint against them and to be given the opportunity to present their case and call witnesses to support their case, as appropriate.
- To investigate the facts as may be appropriate before taking action under the formal parts of this procedure.
- To be given the reason for any penalty imposed, in writing.

4.7 POSTPONEMENT OF HEARING

If it is not reasonably practicable for the employee or the DAC to attend a hearing under the disciplinary procedure for a reason which was not foreseeable when the meeting was arranged, the DAC shall arrange another meeting to take place at a reasonable time and location to discuss the issues of concern.

If the DAC has invited the employee to attend two meetings and the circumstances referred to in this paragraph applied in relation to each of them, the DAC will consider whether to call a further meeting. The employee should inform the DAC as soon as possible if they cannot attend the meeting.

5. POLICY COMMUNICATION

This policy will be available to all employees via the BFL intranet sites.

Awareness efforts will be made by including in company publications, management conferences and supervisory training courses.

6. REVIEW

The policy in general, will be reviewed from time to time. Additionally, in case of any amendment is required pursuant to change in laws / regulations, any circumstances which warrant a change/modification, organizational change, etc., such amendments to the Policy shall be implemented with the prior approval of the Managing Director of the Company.

-End of Document-

