

Bajaj Finance Limited

Remuneration Policy

(Approved by Board of Directors at its meeting held on 12 March 2019)

(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director

1. Qualifications of Independent Director :-

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

2. Positive attributes of Independent Directors:-

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

3. Independence of Independent Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, concerning independence of directors.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

Remuneration to Directors, Key Managerial Personnel and other employees will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs shall be paid a sitting fee of ₹ 100,000/- for every meeting of the Board or Committee thereof attended by them as member.

NEDs shall be paid commission up to an aggregate amount not exceeding 1% of the net profits of the company for the year. The payment of commission shall be based on their attendance at the Board and the Committee meetings as member.

With effect from 1 April 2019, NEDs shall be paid commission at the rate of ₹ 200,000/- for every meeting of the Board and Committee thereof attended by them as member. or such amount as may be approved by the Board from time to time within the ceiling as per the Companies Act, 2013, applicable rules thereunder and approval of the shareholders.

Additional commission, apart from commission referred to above, may be paid to non-executive directors as may be decided by the Board of Directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the non-executive directors.

No stock options shall be granted and no payment by way of bonus, pension, incentives etc. shall be made to NEDs.

B. MANAGING DIRECTOR & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

(i) Managing Director

The Remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

(ii) Other Employees

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

C. EMPLOYEE STOCK OPTIONS

The Key Managerial Personnel including Managing Director and other eligible employees are entitled for stock options pursuant to Employee Stock Option Scheme (ESOS) of the Company.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee & the Board of Directors of the Company from time to time.

Place: Pune
Date: 12 March 2019

Rahul Bajaj
Chairman