

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 Rs. 100,000/-* for every meeting of the Board and/or committee thereof attended by them.

Commission

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.

Further, as approved by the shareholders of the Company, vide their resolution dated 27 July 2022, in the event of loss or inadequacy of profits in any financial year, the Non-Executive Directors shall be paid remuneration by way of commission as may be decided by the Board of Directors of the Company, notwithstanding that, it may exceed 1% of the net profits of the Company, subject to such restrictions, if any, as may be set out in the Schedule V to the Companies Act, 2013, from time to time.

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.

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 Rs. 50,000/- to Rs. 100,000/- with effect from 1 April 2019

**increased from Rs. 200,000/- to Rs. 250,000/- with effect from 1 June 2021