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bajajauto.com

THE WORLD'S
FAVOURITE
INDIAN

Draft

Date:

To,

(Name of Independent Director)
(Address)

Dear Sir / Madam,

Sub: Your Appointment / Re-appointment as a Non-executive Independent Director of Bajaj Auto Limited (the "Company")

We are pleased to confirm your appointment / re-appointment as a Non-executive Independent Director of the Company ("the appointment") with effect from _____, which is pursuant to the relevant provisions of the Companies Act, 2013 ("the Act") read with the Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as approved by the Board of Directors and by the Shareholders of the Company.

We acknowledge receipt of your declaration confirming that you meet the criteria of independence as set out under Section 149(6) of the Act read with the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and also towards inclusion of your name in the data bank of Independent Directors.

Further, as stipulated under the Act, the appointment of Independent Directors shall be governed by the Schedule IV to the Act, viz. 'Code for Independent Directors', which is enclosed to this letter as **Annexure A**, which primarily covers –

- I. **Guidelines of professional conduct**
- II. **Role and functions**
- III. **Duties**
- IV. **Manner of appointment**
- V. **Re-appointment**
- VI. **Resignation or removal**
- VII. **Separate meetings**
- VIII. **Evaluation mechanism**

The terms of the appointment, which in any event shall be subject to the Act, read with the Rules made thereunder, the Listing Regulations and the Articles of Association of the Company, are set out below:

This letter is being issued in compliance with the requirements of Schedule IV to the Act, pertaining to the Code of Independent Directors and Listing Regulations.

Appointment:

1. The appointment is for a term of _____ consecutive years, expiring at the close of business hours on _____ (the "Termination Date"). Further, your office shall not be liable to retirement by rotation.

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2. In terms of the provisions of Section 149(10), an Independent Director may hold office for two consecutive term of maximum period of 5 years each on the Board of the Company. Accordingly, your re-appointment to the office shall be subject to the said statutory limit and based on the outcome of the performance evaluation process and fulfilment of independence criteria by you.

It shall also be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and the Shareholders of the Company.

3. During your tenure as an Independent Director, you may be asked to serve on one or more of the Board Committees. Copies of the terms of reference for each of those Committees would be provided to you at the appropriate time, if not already provided for.
4. You are requested to adhere strictly to the Code for Independent Directors referred to above.
5. The Company expects a commitment of sufficient time and attention as necessary, in order to perform your duties under appointment. This will include attendance at regular and emergency Board meetings, any separate meeting of Independent Directors and the General Meeting(s). You may also be required to attend regular meetings of any Board Committee(s) of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
6. By accepting the appointment, you confirm that you are able to allocate sufficient time to perform your role.

Role & Duties:

7. As a Non-executive Independent Director, you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by a Company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.
8. You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Act as under:
 - (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
 - (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
 - (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 - (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
 - (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that

gain to the company.

- (6) A director of a company shall not assign his office and any assignment so made shall be void.

Fees / Commission:

9. Unless decided otherwise, as a Non-executive Independent Director you will be paid sitting fees of ₹ 1,00,000 per meeting of the Board and Committee(s) of the Board of which you are a member, attended by you.

In addition to it, you are eligible for payment of commission of ₹ 3,15,000 per meeting of the Board and Committee(s) of the Board of which you are a member, attended by you.

Reimbursement of Expenses:

10. In addition to the fee described in 9 above, the Company will reimburse to you for all reasonable and properly documented expenses you incur in performing your role.
11. During the appointment, circumstances may arise in the furtherance of your duties as a Director when it will be appropriate for you to seek advice from independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred as deemed necessary.

Other directorships and business interests:

12. The Company acknowledges that you may have business interests other than those of the Company and that you may have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, not declared so far, these may be disclosed in writing to the Chairman and Company Secretary as soon as they become apparent.

Further, during the term of your appointment, you agree to notify the Company in writing any change in your directorships and provide the relevant disclosures and information as may be required under the applicable laws.

Code of Conduct & other compliances:

13. During your appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf.

Further, as an Independent Director of the Company, you shall abide by the Code of conduct for Directors and members of senior management of the Company - enclosed as **Annexure B**, Code of conduct to regulate, monitor and report trading by Designated Persons of the Company - enclosed as **Annexure C**, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) – enclosed as **Annexure D** and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in

Section 149(6) and Regulation 16(1)(b) of the Listing Regulations, in the format as per **Annexure E** to this Letter.

Confidentiality:

14. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Non-executive Independent Director of the Company.
15. Your attention is drawn to the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as to the disclosure of price-sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.
16. On termination of the appointment, you will deliver to the Company all books, document, papers and other property of or relating to the business of the Company which are in your possession, custody or power by virtue of your position as a Non-executive Independent Director of the Company.

Performance Review Process:

17. The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Nomination & Remuneration Committee. If, in the interim, there are any matters arising in connection with your role as a Non-executive Independent Director which cause you concern, you may discuss with us as soon as appropriate.

Insurance:

18. The Company has obtained Directors' and Officers' liability insurance and it is intended to maintain such cover for the full term of the appointment.

Publication of the letter of appointment:

19. In line with the provisions of the Act, the Company may make public a generic copy of this letter on its website at www.bajajauto.com and the same shall be open for inspection at the registered office of the Company by any member during normal business hours.

This letter is governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Pune / Mumbai, India.

This letter constitutes neither a contract for services nor a service contract.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Yours sincerely,
For Bajaj Auto Limited

Chairman

To,
Bajaj Auto Limited

I have read and I agree to the above terms regarding my appointment as a Non-executive Independent Director of Bajaj Auto Limited.

Signature

Place:

Date:

Code for Independent Directors
[Schedule IV to the Companies Act, 2013 ("the Act")]

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. Guidelines of professional conduct:

An Independent Director shall:

- (1) uphold ethical standards of integrity and probity.
- (2) act objectively and constructively while exercising his duties.
- (3) exercise his responsibilities in a bona fide manner in the interest of the Company.
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making.
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- (6) not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- (7) refrain from any action that would lead to loss of his independence.
- (8) where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly.
- (9) assist the Company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- (2) bring an objective view in the evaluation of the performance of Board and management.
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders.
- (6) balance the conflicting interest of the stakeholders.
- (7) determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;
- (8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The Independent Directors shall:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- (2) seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and the opinion of outside experts at the expense of the Company.
- (3) strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member.
- (4) participate constructively and actively in the Committees of the Board in which they are Chairpersons or members.
- (5) strive to attend the General Meetings of the Company.
- (6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting.
- (7) keep themselves well informed about the Company and the external environment in which it operates.
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
- (10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, Shareholders and its Employees.
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- (1) Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the Shareholders.
- (3) The explanatory statement attached to the notice of the Meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed Director is independent of the management.
- (4) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level Committee(s) in which the Director is expected to serve and its tasks;

- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) Insurance, if any;
 - (e) the Code of Business Ethics that the Company expects its Directors and Employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the Company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any Member during normal business hours.
- (6) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

V. Re-appointment:

The re-appointment of Independent Director shall be on the basis of the report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an Independent Director shall be in the same manner as is provided in Sections 168 and 169 of the Act.
- (2) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within three months from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

VII. Separate Meetings:

- (1) The Independent Directors of the Company shall hold at least one meeting in a Financial Year, without the attendance of Non-Independent Directors and members of management.
- (2) All the Independent Directors of the Company shall strive to be present at such meeting.
- (3) The meeting shall:
 - (a) review the performance of Non-Independent Directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.



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Code of Conduct

A. For Directors and Members of Senior Management

This part shall apply to all the directors and members of the senior management of the Company.

For the purpose of this code, the term 'senior management' shall have the same meaning as assigned to it under Regulation 16(1)(d) of the SEBI (Listing Obligation & Disclosure Requirements), Regulations, 2015 and as may be amended from time to time.

1. Directors and senior management:

- shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment. Directors and senior managers They shall be governed by the rules and regulations of the company as are made applicable to them from time to time.
 - shall ensure that they use the company's assets, properties and services for official purposes only or as per the terms of appointment.
 - shall not receive directly or indirectly any benefit from the company's business associates, which is intended or can be perceived as being given to gain favour for dealing with the company.
 - shall ensure the security of all confidential information available to them in the course of their duties.
 - shall not engage in any material business relationship or activity, which conflicts with their duties towards the company.
 - shall declare information about their relatives (spouse, children and parents) employed in the company.
2. No director or senior management, other than the designated spokespersons shall engage with any member of press and media in matters concerning the company. In such cases, they should direct the request to the designated spokespersons.
 3. Senior management shall not, without the prior approval of the Managing Director and CEO (Operations) of the company, accept employment or a position of responsibility with any organization for remuneration or otherwise. In case of

Whole-time Directors, such prior approval must be obtained from the board of directors of the company.

4. Senior management shall follow all prescribed safety and environment related regulations.
5. Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large [Conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.]

B. For Directors

In addition to the above, all the directors of the company shall abide by the following duties, as prescribed under section 166 & applicable provisions of the Companies Act, 2013, as amended from time to time:

1. Subject to the provisions of the Companies Act, 2013, they shall act in accordance with the articles of the Company.
2. They shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
3. They shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. They shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. They shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
6. They shall not assign their office and any assignment so made shall be void.

C. For Independent Directors

As required by the SEBI LODR Regulations, in addition to the duties specified in (A) and (B) above, the independent directors shall abide by the following duties, as specified in schedule IV to the Companies Act, 2013, as amended from time to time:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the Company;
6. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the Company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

This Code is subject to review by the Board from time to time.

Date: 25 April 2023

Place: Pune


Niraj Bajaj
Chairman



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BAJAJ AUTO LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

Introduction

Pursuant to Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "SEBI PIT Regulations") as amended, the Company has put in place a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (hereinafter referred to as the "Code"), by adopting the minimum standards as set out in the said Regulations and the last revision was adopted by the Board of Directors of the Company at its meeting held on 20 October 2020.

As a part of annual review of the Code and to make relevant changes to the said Code in line with the amendments to SEBI PIT Regulations, to the extent applicable, a revised Code has been framed for adoption by the Board of Directors of the Company thereby incorporating the necessary changes. The said Code shall supersede the earlier Code(s) and shall come into immediate effect after the approval of the Board.

I. Definitions

- (a) "**Compliance Officer**" to administer the code of conduct and other requirements under the said Regulations means the Company Secretary of the Company and in his absence, any senior officer, who is financially literate and is designated as such by the board of directors or the Chairman of the Company.
- (b) "**Designated Person**" - The Board of Directors / Chairman / Managing Director / CEO shall in consultation with the Chief Financial Officer and compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-
- (i) Employees of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
 - (ii) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
 - (iii) All promoters of the Company;
 - (iv) Chief Executive Officer and employees up to two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;

- (v) Any support staff of the Company such as IT staff or secretarial staff who have access to unpublished price sensitive information.
- (c) **"Fiduciaries"**: Professional firms, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the company shall be collectively referred to as fiduciaries under the said regulations:
- (d) **"Immediate relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
- (e) **"Informant"** means an individual(s), who voluntarily submits to SEBI a Voluntary Information Disclosure form relating to an alleged violation of Insider Trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward;
- (f) **"Insider"** means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (g) **"Legitimate purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- (h) **"Original information"** means any relevant information submitted in accordance with the regulations pertaining to violation of Insider Trading laws, that is inter alia:
- i) derived from independent knowledge and analysis of the Informant;
 - ii) not known to SEBI from any other source, except where the Informant is the original source of the information;
 - iii) is sufficiently specific, credible and timely to - (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or re-open an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by SEBI;
 - iv) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and;
 - v) Not irrelevant, frivolous or vexatious.

Explanation. –Information which does not in the opinion of SEBI add to the information already possessed by SEBI is not original information.

- (i) **"Securities"** as per SEBI PIT Regulations shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) (SCRA) or any modification thereof, except units of a mutual fund, as may be amended from time to time:

Securities under SCRA means –

- i. shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- ii. derivative;
- iii. units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- iv. security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- v. units or any other such instrument issued to the investors under any mutual fund scheme;

Explanation.—For the removal of doubts, it is hereby declared that "securities" shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a combined benefit risk on the life of the persons and investment by such persons and issued by an insurer referred to in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938);

- vi. units or any other instrument issued by any pooled investment vehicle;
 - vii. any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;
 - viii. Government securities;
 - ix. such other instruments as may be declared by the Central Government to be securities; and
 - x. rights or interest in securities;
- (j) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (k) **"Trading day"** means a day on which the recognised stock exchanges are open for trading;
- (l) **"Unpublished price sensitive information"** means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but shall not be restricted to, information relating to the following: –
- i. financial results;
 - ii. dividends;
 - iii. change in capital structure;

- iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel.

(m) **“Voluntarily providing information”** means providing SEBI with information before receiving any request, inquiry, or demand from SEBI, any other Central or State authorities or other statutory authority about a matter, to which the information is relevant .

(n) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto.

II. Code

1. Reporting by Compliance Officer

The compliance officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the board of directors, on a monthly basis or at such frequency as may be stipulated by the board of directors, but not less than once in a year.

2. Information on a need to know basis & Chinese wall procedures

All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

To prevent the misuse of confidential information, the Company shall ensure the following :

- i) The employees who are privy/access to the UPSI shall at all times ensure confidentiality of the same and shall refrain from communicating the same with any persons except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations;
- ii) Information containing UPSI may be shared through secured means;
- iii) To the extent possible, print outs of documents containing UPSI should be avoided;
- iv) Such other methods as may be adopted by the Company to prevent leak of UPSI

3. Designated Persons

Designated persons and immediate relatives of designated persons in the organisation shall be governed by this code of conduct governing dealing in securities.

4. Trade Restriction periods

Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

Trading restriction period will be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

The trading window restrictions shall not apply in respect of –

- (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer (Form G) and compliance with the respective regulations made by SEBI;
- (b) transactions which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

Note: Transactions referred to in clause (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 refer broadly to the following:

- a) Off-market inter-se transfer between insiders who were in possession of UPSI;
- b) Transaction carried out through block deal window mechanism between persons who were in possession of UPSI;
- c) Transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;
- d) Transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations;
- e) Trades carried pursuant to a trading plan in accordance with Regulation 5;

5. Trading Window

The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

6. Pre-clearance & trades

When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above a threshold limit of Rs.10,00,000/- in value over any calendar quarter, or such other limits as the board of directors may stipulate.

7. Declaration before pre-clearance

Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

8. Execution after pre-clearance

Order in respect of securities shall be executed within seven trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.

9. Contra trades

A designated person and their immediate relatives, who are permitted to trade shall not execute a contra trade within a period of six months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate these Regulations. In the event, any such contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged by the Company for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act. Steps will also be taken to recover the amount of profit earned by the concerned designated person by all available means.

However, contra trade restrictions shall not be applicable for trades pursuant to exercise of stock options.

10. Transmission of shares

Provisions of trading window closure, pre-clearance and contra trade are not applicable in case of transmission of securities in favour of Designated Persons. However, the norms relating to disclosure requirements shall be applicable.

11. Disclosure Responsibilities & formats

The code of conduct shall stipulate such formats as the board of directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with the said regulations.

Disclosure requirements shall be as under:

A. Initial Disclosures of holdings

Every promoter, member of promoter group, key managerial personnel and director of the company shall disclose (as per **Form A**) his holding of securities of the company as on the date of the said Regulations taking effect, to the company within thirty days of the Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group shall disclose (as per **Form B**) his holding of securities of the company as on the date of appointment or becoming a promoter or member of the promoter group, to the company within seven days of such appointment or becoming a promoter or member of the promoter group.

B. Continual Disclosures of trades

Every promoter, member of promoter group, designated person, immediate relative of the designated person and director of the company shall disclose to the company (as per **Form C**) the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

The Company shall within a period of two working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading, to the extent applicable.

C. Every Insider shall disclose the off-market trades between Insiders (irrespective of any value) executed pursuant to Regulation 4(1)(i) of the Insider Trading Regulations within two working days (as per Form C).

The Company shall within a period of two working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

D. Other formats / disclosures, to monitor compliance with these Regulations would be as under –

- Application-cum-undertaking for pre-clearance (as per **Form E**)
- Reporting of holdings in securities by Designated Persons as on 31 March, on an annual basis by 10 April (as per **Form F**)

12. Particulars to be disclosed by Designated Persons

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:

- (a) immediate relatives
- (b) persons with whom such designated person(s) shares a material financial relationship
- (c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis to the extent possible.

Explanation: The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of annual income of such Designated Person but shall exclude relationships in which the payment is based on arm's length transactions.

13. Process for bringing people 'inside' on sensitive transactions

The Chairman of the Company shall decide in consultation with the Compliance Officer a process for how and when people are brought 'inside' on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

14. Penalty for contravention of Code of Conduct

Without prejudice to the power of SEBI under the Act, the Chairman or any director authorised by the Board shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, claw-back etc. for the contravention of the code of conduct. Any amount collected under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

15. Information to Stock Exchanges

In case it is observed that there has been a violation of these regulations, the Compliance Officer shall inform SEBI promptly.

16. Applicability of Regulations to certain persons

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the company.

17. Protection to Employees who are Informants

1. An employee of Company who has filed a Voluntary Information Disclosure form to SEBI shall be suitably protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination, irrespective of whether the information is considered or rejected by SEBI or he is eligible for a Reward under the regulations, by reason of:
 - i) filing a Voluntary Information Disclosure Form under the regulations;
 - ii) testifying in, participating in or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of Insider Trading laws or any manner aiding the enforcement action taken by SEBI or
 - iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from co-operating with SEBI in any manner.
2. An employee will not be required to establish that:
 - i) SEBI has taken up any enforcement action in furtherance of information provided by such person; or
 - ii) The information provided fulfils the criteria of being considered as an Original Information under the regulations.
3. Employee/Informant will not be prohibited from approaching the competent court or tribunal for appropriate relief if he/she believes that he or she has been subjected to retaliation or victimization by the Company.
4. The Company will not require an employee to notify it of any voluntary information disclosure form filed with SEBI or to seek its prior permission or consent or guidance of any person engaged by the company before or after such filing by way of an agreement or otherwise.
5. The Company in violation of the provisions may be liable for penalty, debarment, suspension and/or criminal prosecution by SEBI. SEBI, however, cannot direct reinstatement or compensation by the Company to the employee.

For the purposes of this clause, Employee means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

The above Code is to be read together with SEBI (PIT) Regulations and changes arising out of any SEBI directive or circular including amendment to the said regulations shall be deemed to be part of this Code, to the extent applicable.

This code is subject to review from time to time.

Date: 25 April 2023
Place: Pune


Niraj Bajaj
Chairman

**BAJAJ***Distinctly Ahead*Bajaj Auto Limited
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www.bajajauto.com**Bajaj Auto Limited****Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS)**

Pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS), as adopted by the Board of Directors of the Company at its meeting held on 23 March 2015.

SEBI has vide notification dated 31 December 2018, amended SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 1 April 2019. As required under the said Regulations, a revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS), (hereinafter referred to as the "Code") has been framed for adoption by the Board of Directors of the Company. The said Code shall supersede the earlier Code and shall be effective from 1 April 2019.

I. Definitions:

- a) The term "legitimate purposes" shall include sharing of UPS in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the said Regulations.
- b) 'Unpublished Price Sensitive Information (UPS)' means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions.
 - (v) changes in key managerial personnel;
- c) Other terms not specifically defined here shall have the same meaning as assigned under the said Regulations.

II. Code:

1. The company shall ensure prompt public disclosure of UPS that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. accessible to the public on a non-discriminatory basis.



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2. The company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.
4. The company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information 'generally available'.
5. The company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The company shall ensure that information shared with analysts and research personnel is not UPSI.
7. The company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The company shall ensure the handling of all UPSI on a need-to-know basis.
9. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of the Regulations and due notice shall be given to such person(s) to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations.
10. A structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available shall be maintained. Such databases shall be maintained with adequate internal controls and checks, such as time stamping and audit trails to ensure non-tampering of the database.

This Code is subject to review from time to time.

Date: 13 March 2019


RAHUL BAJAJ
CHAIRMAN

Declaration of Independence

To,
The Board of Directors
Bajaj Auto Limited
Mumbai-Pune Road, Akurdi,
Pune – 411 035

Dear Sirs,

Subject: Declaration of Independence

Pursuant to Regulation 16(1)(b) & 25(8) of the SEBI Listing Regulations, 2015 and Section 149 of the Companies Act, 2013, I hereby declare as a Non-executive Independent Director, not being a nominee director, that:

1. (a) I am or was not a promoter of the company or its holding, subsidiary or associate company or a member of the promoter group of the company;
- (b) I am not related to promoters or directors of the company, its holding, subsidiary or associate company;
2. I have or had no pecuniary relationship, other than receiving remuneration as a director or have or had no transaction exceeding ten per cent of my total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;
3. None of my relatives:
 - (i) held / holds any security of or interest in the company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value exceeding fifty lakh rupees or two per cent of the paid-up capital of the company, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - (ii) was / is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of an amount of fifty lakhs rupees or such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;
 - (iii) had / has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company, or their promoters, or directors of such holding company, for an amount in

excess of an amount of fifty lakhs rupees or such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;

(iv) had / has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to sub-clause (i), (ii) or (iii);

4. Neither I nor any of my relatives-

(a) holds or have/has held the position of a key managerial personnel or is or have/has been employee of the company or its holding, subsidiary or associate company or any company belonging to the promoter group of the Company in any of the three financial years immediately preceding the current financial year;

(b) is or have/has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the current financial year, of-

(i) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(ii) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(c) holds together two per cent or more of the total voting power of the company; or

(d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(e) is a material supplier, service provider or customer or lessor or lessee of the company;

5. I am not less than 21 years of age.

6. I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

7. I am not a non-independent director of another company on the board of which any non-independent director is an independent director in this company.

8. I meet the prescribed criteria of independence as provided in clause (b) of sub-regulation (1) of Regulation 16 of SEBI Listing Regulations, 2015 and Section 149 (6) of the Companies Act, 2013 and that I am not aware of any circumstance or situation, which exists or may be

reasonably anticipated by me, that could impair or impact my ability to discharge my duties with an objective independent judgment and without any external influence.

9. I have registered myself in the Independent Director's databank of Indian Institute of Corporate Affairs as required under Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

I further declare that whenever there is any change in the circumstances, which may affect my status as an independent director, I will give a fresh declaration that I meet the criteria of independence referred to above.

Signature:

Name of Director:

DIN:

Date: