



FINSERV

BAJAJ FINANCE LTD.

Vigil Mechanism / Whistle Blower Policy

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Document Control Log

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Version 1.0	Ashish Soni	Rajeev Jain	01-Apr-2022	<ol style="list-style-type: none">1. Reporting mechanism updated.2. Revised Committee guidelines.3. Added clauses on Whistleblower process, confidentiality.4. Expanded definition of whistle-blower with inclusion of business partner & customer.

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- Shall be made, only by the policy owner as approved by the Management.
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1. PURPOSE

As a part of our commitment to implement best practices on Corporate Governance, Bajaj Finance Limited has created a "Whistle Blower Policy" thereby providing a secured framework, which a person can use to share his/her views along with factual details, observations and objections with regards to unacceptable work behavior, management practices, business practices, physiologically adverse work conditions, and other such activities of reasonably negative nature which may be seen to tarnish the image of the organization, its products, its social image, employee morale and employee's safety at the workplace including but not limited to violation of integrity norms like leak or suspected leak of Unpublished Price Sensitive Information under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

All employees are expected to display highest levels of integrity in their behavioral conduct, including honesty & professionalism in their business dealings. However, there may be certain instances when the conduct displayed by a fellow colleague including their professional dealings may not be in the best interest of the organization; such instances include malpractices, deliberate violation and/or disregard for organization policies, inappropriate use / embezzlement of funds, biased behavior with respect to vendors / suppliers and service providers, compromise in client suitability & assessment etc., and such other activities which may adversely impact the rights of employees of the Organization and/or tarnish the image and reputation of the Organization, its products and services.

Directors, BFL employees, Business/Vendor Partners, their employees or any other person including contractors, subcontractors, consultants, and any other third parties are hereafter collectively referred as "Person(s)".

A "Whistle blower" is a person, who, in the interest of the organization, discloses such information about malpractices he/she may have observed or have information about. The Whistle Blower policy encourages such a person to raise his/her concern along with verifiable factual details, without any fear of retribution or vengeance, if he / she has reasonable grounds to believe that the "malpractices" observed are likely to be detrimental to the interest of the organization.

2. SCOPE & APPLICABILITY

This policy is applicable to all Directors and employees of Bajaj Finance Limited across all levels and bands, including other category of Person(s) referred above.

3. STRICT CONFORMITY

This policy is to be adhered to strictly and there shall be no deviations to this policy except by way of an Organization approved amendment.

4. VALIDITY

This policy may be amended/modified from time to time and will remain effective until withdrawn and communicated.

5. INCIDENT REPORTING

Every/All Person(s) is/are required to report any incident of violation/suspected violation of any law that applies to BFL and any suspected violation of the Organization's Code of Conduct and Ethics and/or policies. Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of BFL policies and/or applicable laws. No Person(s) should fear about reporting reasonably suspected violations because BFL prohibits any retaliation against reporting of suspected violations. Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and any failure will be addressed with appropriate disciplinary action, after BFL gains knowledge of such occurrence.

6. PROCESS

6.1 REPORTING MECHANISM

Organization has created following channels for a Person(s) to raise a concern:

- Person(s) can write an email to whistleblower@bajajfinserv.in
- Person(s) can call on 020 71124555 and share their inputs.

6.2 COMPLETE DETAILS TO BE DISCLOSED

The concern reported should include all possible and available information about the suspected violation as one can provide. Where possible, it should describe the nature of the suspected violation, identities of persons involved in the suspected violation, supporting evidence along with the time frame of the reported incident.

6.3 INVESTIGATION

- All reported incidents under this Policy will be thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law, Policies and Code of Conduct of the Organization.
- The complainant/Persons(s) is/are duty bound to cooperate in the investigation wherever required. Failure to cooperate in an investigation or deliberately providing false information during an investigation, may form the basis for disciplinary action, including termination of employment/agreement/relationship with the Person(s).
- If, at the conclusion of its investigation, BFL determines that a violation has occurred, BFL shall take effective remedial action commensurate with the nature of the violation. This action may include disciplinary action against the Person(s)/ accused party, up to and including termination of employment/agreement. Reasonable and necessary steps will also be taken to prevent any further violations of BFL Policy(ies).

6.4 NO RETALIATION

There shall not be any adverse action against any Person(s) for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Organization's Code of Conduct and Ethics. BFL takes any form of retaliation seriously and incidents of retaliation against any Person(s) reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate action against anyone responsible for it, including possible termination of employment/agreement. Those working for, or with BFL, who engage in retaliation against reporting Person(s) may also be subject to civil, criminal and administrative penalties.

6.5 PRESERVATION OF DOCUMENTS

All documents/data related to reporting, investigation, and enforcement pursuant to this Policy shall be kept in accordance with BFL's record retention practice and applicable law.

6.6 GUIDELINES FOR EMPLOYEE

- This policy has been introduced with an aim to provide employees with a safe and confidential channel to share their inputs about those aspects which are:
 - adversely impacting their work environment each day,
 - likely to result or has resulted in any violation of with the prevailing insider trading policy and/or any law/regulation applicable to BFL,
 - likely to affect the image and reputation of the Organization. All concerns will be treated to be absolutely confidential, and every effort will be made not to reveal the identity of the complainant.
- In keeping with this objective, employees are expected to report those actions, occurrences, events, and observations which exhibit the following characteristics:
 - Activities, actions and practices in their immediate work environment that are not aligned to the organization's culture, values or business practice.
 - Actions of supervisors, peers and/or leaders which may not to be aligned to the organization's culture and ethics.
 - Incidents which are adversely impacting an individual employee's performance.

- Any act of physical assault which endangers or puts the fear of life endangerment in the mind of an employee while at work.
- Any verbal volley or targeted communication which psychologically intimidates the self- respect and social image of an employee in the opinion of another.
- Any action which violates Insider Trading Policy, Code of Conduct Policy (COC), Disciplinary Action Policy (DAP), Prevention of Sexual Harassment at Workplace (POSH) or any other Organization's policies.
- Any issue or grievance which the employee has experienced due to an action or series of actions at work which the employee has reason to believe that it cannot be shared with anyone other than a third person who may be able to independently assess and resolve the issues.
- Any escalation with regards to any disrespect shown to or isolation of an employee arising out of acts such as insubordination, non-cooperation, work or behavioral revolt, ganging etc. in the employees work environment.
- Malpractices (verifiable) by employees which jeopardize the corporate brand image of the organization, its ethics and its products in the market.

6.7 GUIDELINE TO BUSINESS/VENDOR PARTNERS

- A Business/Vendor Partner may raise a complaint under this Policy basing on cogent facts and should be supported by proper physical/electronic evidence.
- Identity of the complainant should be disclosed, so that, the context of the issue and the investigation to be carried basis any complaint could be expedited.
- All or any details submitted with BFL shall be treated with utmost confidentiality and there will not be any retaliatory approach against the complainant.
- This is a window facilitated to Business/Vendor Partner, as a measure of transparency in BFL's business conduct. However, the investigation, its progress and the final outcome will be considered as absolute confidential matter and may be utilized for evaluation and improvising the internal process/governance. However, no information shall be shared by BFL and any demand for the same shall be unacceptable.

6.8 CONFIDENTIALITY OF INFORMATION

The incident reported and the accompanying information / documents related to the incident shall be treated as confidential information and appropriate action as contemplated under this Policy shall be initiated. However, BFL shall not be obliged to share the investigation details and/or the outcome of such investigation with employee/Person(s), and it will be the prerogative / discretion of BFL to evaluate all information, evidences and arrive at a conclusion based on the veracity of the complaint, evidences, the outcome of the investigation and the employee/Person(s) shall not have any right to insist for the outcome of the investigation and/or action initiated against the incident reported.

7. PERIODIC REPORTING OF WHISTLE BLOWER INCIDENTS

- All incidents reported, their details, investigation status and action taken will be reported on a monthly basis to Managing Director of the organization.
- A report on all actioned whistleblower incidents will be submitted to the Audit Committee of the Board on a quarterly basis.

8. MISUSE OF WHISTLE BLOWER POLICY

- The organization recognizes the need to offer employees this safe and secure channel to share their inputs and grievances about instances covered under this policy with a neutral and independent committee for investigation and action. It is also important for employees to be cognizant of the fact that the organization discourages and will take strict action in case of any misuse of Whistle Blower Policy and channel for any other purpose than for which they have been incorporated.
- The Committee will ensure every measure of confidentiality is taken to safeguard the identity and inputs shared by the complainant. Whistle Blower Policy requires equal confidentiality from the complainant as much as the complainant believes in the confidentiality at the end of the Committee. Thus, any employee can report immediately to the committee any action of

repercussion owing to leak of information at his/ her end. Such leak of information may occur by error or sheer negligence on the part of the complainant. The committee reserves the right to independently investigate this afresh and take necessary action against the erring parties involved (including the complainant if the facts of investigation so reveal).

- Whistle Blower Policy and channel should not be used in any of the following scenarios, which may be considered as 'Business as Usual' issues and should be reported to the respective business level authorities, who are designated to address the same in each business by virtue of their roles. Below list is suggestive in nature and not exhaustive; the Committee reserves the discretion not to entertain such incidents and may advise the complainant to report it to the appropriate manager /authority.
 - Non- functional / Malfunctioning infrastructure, telecommunication systems and/ or virtual systems.
 - Disagreements between employees arising out of the normal course of discussion with regards to business as usual (BAU) actions and/ or expectations.
 - Disputes arising out of personal conflicts between employees outside the scope of employment and regarding the scope of work of their individual roles.
 - Domestic issues which are personal to an employee.
 - Any action/ issue which is currently under reasonable investigation and resolution within a department or Line of Business. E.g., if an employee has escalated an issue within the department to his/ her manager/ skip level manager and the same is being investigated within the framework of the business the employee cannot simultaneously report this issue via Whistle Blower channel as a back-up for investigation and resolution. An employee has a recourse to use the Whistle Blower channel only if reasonable time has passed without resolution being arrived at as per business matrix and/ or if the resolution is reasonably biased and the employee has proof to substantiate the same before the committee.

9. COMMITTEE GUIDELINE

- The Disciplinary Action Committee (DAC) as constituted under Disciplinary Action Policy approved by Board, is the designated committee to look into the Whistleblower complaints.
- The DAC Committee comprises of a group of senior management representatives from different functional areas of the organization:
Permanent Members
 - Chief Human Resources and Administration Officer
 - General Counsel
 - Members by Rotation (nominated for a tenure of 2 years on rotation) - 2
 - Enterprise Risk Officer
 - Designated Business/Function Leader
 - Advisory/Extended Members
 - Chief Financial Officer**
 - Executive Vice President - Corporate Audit Services**
- Agreement of both permanent members and at least one "member by rotation" is required for concluding the complaint and decide appropriate action.
- However, if a complaint is lodged against one of its committee members and/or their direct reportee/indirect reportee and/or their team member, such committee member will not participate in the deliberation and decision making by the committee. In such scenario the extended/advisory members will form part of the committee.

**Note: Chief Financial Officer and Executive Vice President - Corporate Audit Services will be included as additional members in absence of minimum quorum and are independent advisors to the committee.

10. POLICY COMMUNICATION

- This Policy will be available to all employees via the BFL Intranet sites and for others it will be available on Bajaj Finance Limited page under Bajaj Finserv website.
- Details of reporting channels will be available across all BFL branches and digital employee communication platforms. Awareness efforts will be made by including in Organization publications, management conferences, and supervisory training courses

11. REVIEW

The policy in general, will be reviewed from time to time. Additionally, in case of any amendment required pursuant to change in laws/regulations or any other circumstances, such amendments to the Policy shall be made with prior approval from the Managing Director of the Organization and such changes, will be shared with Board of Directors.

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