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For Bajaj Finserv Direct Limited

POLICY
DISCIPLINARY ACTION

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1. PURPOSE

The policy aims to create an internal governance framework for the Company 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 Finserv Direct Limited and 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 in 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 behaviour 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 emphasise on the importance of a harmonious relationship among the employees and to facilitate them to be able to address any grievances relating to their employment with our company and their relation to interaction with superiors and / or peers at the workplace.

2. DEFINITIONS

2.1 **"Asset"** means and include any information, data, documents, movable or immovable property, tangible or intangible property owned, controlled and belonging to the Company, held, possessed or within the actual or constructive knowledge of an Employee either in physical or digital form, by virtue of Employee's job role or otherwise or during the course of employment or at any point of time.

2.2 **"Company"** means, Bajaj Finserv Direct Ltd. [hereinafter referred as "BFDL"]

2.3 **"Disciplinary Action"** It refers to any action that BFDL, through the Disciplinary Action Committee (DAC), may take against an employee either during or upon completion of an investigation, if it is found or reasonably believed that the employee has committed an illegal act, violated BFDL's policies, engaged in criminal activity, or acted in a manner that warrants serious disciplinary action. Such actions may include, but are not limited to, a formal warning, issuance of a show cause notice, imposition of a fine, suspension, termination from official duties, or any other action deemed appropriate based on the facts and circumstances of the case.

2.4 **"Disciplinary Actions Committee" / "Committee" /"DAC"** means Committee of persons who is/are nominated / appointed by the Company to carry out investigation of any reported incident or of any incident / action / or inaction which has come to the knowledge of DAC or of the Company.

2.5 **"Employee"** means and include all employees of BFDL across job levels and bands including Trainees, Management Trainees, Interns and deputed at BFDL during the relevant point of time.

2.6 **"Misconduct" / "Gross Misconduct"** means improper conduct or wrongful behaviour and / or severe breach or deviation by the Employee of the Company policies and procedures and/or illegal acts or omissions or involvement in any crime or in any other action that is against the laws of the land.

2.7 **"Policy" or "This Policy"** means, this Disciplinary Actions Policy including all the Annexures.

2.8 **"Relative(s)"** shall include blood relatives (Parents, Siblings, Children, Grandparents, Aunts, uncles, cousins, etc.,), relatives by marriage (spouse, mother-in-law, father-in-law, brother-in-law, sister-in-law), adoptive relatives (legally adopted children, adoptive parents or siblings)

2.9 **"Fraud"** is generally defined as an act of deception or manipulation, often with the intent to gain an unfair financial or other advantage. This can include misrepresentation, breach of trust, or manipulation of financial records. Specifically, RBI classifies fraud based on the provisions of the Bhartiya Nyay Sanhita

2.10 **"Management"** It refers to individuals holding key leadership and decision-making roles within the Company, which are, the Chief Executive Officer (CEO), Chief Human Resources Officer (CHRO), Head of HR and Legal Head.

3. SCOPE & APPLICABILITY

This policy shall be applicable to the employees of BFDL across job levels and bands including and limited to Trainees, Management Trainees, Interns and deputed at BFDL.

The incidents/issues which falls under the purview of Disciplinary Action Policy include but are not limited to the following:

3.1 ISSUE TYPE 1 – CORPORATE AFFAIRS

Any act or omission that directly violates a regulatory requirement or aspect of compliance such that it puts the Company into legal, regulatory and social jeopardy shall fall under the Corporate Affairs category. Example:

3.1.1 Actions leading to defamation of the Company and dilution of its brand and products' image etc.

3.1.2 Accounting fraud, misappropriation of Company funds and assets, breach of trust etc.

3.1.3 Acts of Impersonation.

3.1.4 Any act, omission or incident that may be an offence punishable under law.

3.2 ISSUE TYPE 2 – BUSINESS

Any act or omission that directly or indirectly contravenes the normal business pattern and / or established course of action such that it puts a temporary or permanent stoppage to the workflow in a business unit or business enabling unit and/ or results in a cause which requires to be normalized by corrective action to make good impact to business delivery or reporting. Example:

3.2.1 Non adherence of policies, procedures and guideline of the company

3.2.2 Fraud, Cash Funding and Misappropriation

3.2.3 Forgery (customer, company, and self-documents)

3.2.4 Any other acts, omissions or incidents that may be an offence punishable under law

3.3 ISSUE TYPE 3 - EMPLOYEE CONDUCT

All employees are expected to uphold professional and respectful conduct at all times, in line with the Company's Code of Ethics and Personal Conduct (CoEPC). Any behaviour whether through actions or language, direct or indirect that causes physical or psychological harm to another employee and deviates from accepted workplace norms will be considered a violation of this policy Employees are reminded to **"Mind Your Behaviour"** as a consistent standard of conduct across all professional environments. This includes refraining from any form of misconduct especially while under the influence of alcohol during office hours, official duties, company-sponsored events, business trips (domestic or international), training programs, or team outings. Examples but not limited to:

3.3.1 Indecent office demeanour
3.3.2 Gross insubordination and misbehaviour with seniors, colleagues, partners, consultants or trainers.
3.3.3 Theft
3.3.4 Fraudulent use of Company's assets and / or Information
3.3.5 Personal demeaning / personal attack – employee humiliating or using abusive language with a team member or any individual in person or in front of team / branch / customers / virtual
3.3.6 Mocking remarks which could be about but not limited to colour/religion/caste
3.3.7 Passing derogatory remarks on leaves / work from home
3.3.8 Employee data fudging by self, peer, colleague, in line manager or anyone associated with the activity (e.g. manipulation with leaves and attendance records; timesheets; claims/ reimbursements. The list is not limited to the mentioned examples.)
3.3.9 Nonadherence to any organization laid down policies and procedures
3.3.10 Nonadherence to any client laid down policies and procedures
3.3.11 Bullying - repeated, intentional behaviour—verbal, physical, social, or psychological—that is meant to intimidate, humiliate, harm, or control another person who is often in a less powerful position.
3.3.12 Physical Assault
3.3.13 Suppression and/ or misreporting of facts, figures and information
3.3.14 Coercion
3.3.15 Violent or intimidating conduct
3.3.16 Any other acts / incidents which may amount to a criminal offence under law.
3.3.17 Non-reporting of malpractices despite having knowledge of same
3.3.18 Violation of all applicable policies for Employees w.r.t, CoEPC and/ or Separation policy, or Prevention of Sexual Harassment at Workplace Policy or Whistle Blower Policy [including any False Allegation under any policy of the Company]
3.3.19 Excessive absenteeism without intimation to the reporting manager or prior approval.
3.3.20 Breach or non-compliance of the employment's terms and conditions by employee including adherence to the office timings prescribed by the company and or unauthorised / unapproved leaves.
3.3.21 Any acts which may amount to a criminal offence and acts or omissions which may result in the breach of health and safety conditions
3.3.22 Employees are strictly prohibited from downloading, copying, reproducing, distributing, or storing any content—such as photos, videos, documents, assessments, or course materials—from the organization's subscribed online learning platform(s), unless explicitly authorized in writing by the vendor and the Human Resources earning department. Note: All content available on these platforms is protected by intellectual property laws and vendor agreements. Unauthorized use, sharing, or replication may result in disciplinary action, including termination, and could lead to legal liability for the individual and the organization.
3.3.23 Failure by an employee to complete any training modules assigned by the Human Resources department of BFDL within the specified deadline.
3.3.24 Any act by an employee, involving the unauthorized use of the BFDL's name, brand, or representation on social media or other public platforms in a manner that may mislead, misrepresent, or cause reputational harm to the BFDL.

3.3.25 Any act by employee involving the misuse of the BFDL's and including all its verticals and their associated clientele's name, brand, or identity on any social media or other public forums without prior written authorization, especially where such use may damage the BFDL's image, create a false impression of endorsement, or violate confidentiality, BFDL's social media guidelines or CoEPC.

4. POLICY GUIDELINES

4.1 ROLES & RESPONSIBILITIES – EMPLOYEE(S)

4.1.1 All the employees shall keep themselves updated with the procedures set out in this policy and shall carry out their job roles in accordance with all polices of the Company.

4.1.2 All the employees shall comply with the Company's CoEPC, employment terms and Company policies and shall not engage in any act / omission that may constitute a breach.

4.1.3 To behave appropriately and in line with all the Company's rules, policies, procedures & guideline and maintain effective and professional work relationships with Colleagues, Fellow staff, Team, Customers, Visitors, Clients, Vendors etc to the Company and at all times while understanding the impact of their behaviour on others.

4.1.4 To clarify expectations, behaviours and rules with your reporting manager, if you are unsure about them with regards to your roles and responsibilities.

4.1.5 The Employees shall co-operate with their reporting manager, Human Resource Department ("HR Department") and the DAC and participate in the disciplinary proceedings as and when required and called.

4.2 ROLES & RESPONSIBILITIES – LINE MANAGER

4.2.1 Managers are expected to demonstrate exemplary conduct and behaviour at all times, serving as a role model for their team and staff.

4.2.2 Managers shall ensure adherence to clearly defined standards of conduct by all staff/team members under their direct supervision and shall provide timely and appropriate feedback regarding conduct-related matters.

4.2.3 The reporting manager shall sensitise the team and direct reports to not indulge in any activity that violates the employment terms, CoEPC or other policies of the Company or is in any manner contrary to the established processes that are to be followed while rendering the services to the Company.

4.2.4 The reporting manager shall at nascent stages endeavour to resolve the issues reflecting potential infractions through discussion with the Employee.

4.2.5 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. Thereafter, the Manager will inform the same to DAC.

4.2.6 The reporting manager shall monitor the Employee's improvement, or lack thereof, in applying the prescribed corrective action and report back to DAC.

4.2.7 The Manager may time and again seek advice from the HR Department on the Policy and procedures to be adopted.

4.3 OTHERS

4.3.1 The Company ensures that no adverse action or retaliation will be taken against any individual who, in good faith, reports a potential violation, raises an inquiry, or seeks guidance regarding a suspected infraction. However, if it is determined by the DAC Committee that a complaint was made with malicious intent or is found to be knowingly false or frivolous, the Company reserves the right to initiate appropriate disciplinary action against the complainant.

4.3.2 HR Department shall be responsible for disseminating awareness among all employees regarding the procedures outlined in this Policy. It shall also ensure that new employees are informed of the policy and its procedures during the induction process. The HR Department shall address and clarify any queries employees may have in relation to the procedures set forth in this policy.

4.3.3 HR Department shall be responsible to ensure facilitation of the disciplinary proceedings and will assist in the implementation of the disciplinary action recommended by the DAC.

5. 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.

5.1 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 the Company
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 not limited to, indulging in verbal abuse, persistent time keeping, insubordination, disruptive behaviour, or any other act which BFDL considers to be a breach of the standards of discipline / behaviour required.

Gross misconduct - Gross misconduct includes, but is not limited to, the incidents and / or actions indicated below. The list is only indicative and not exhaustive.

The severity of the action will be duly assessed by the DAC and appropriate categorization of action would occur therein which may classify the severity of an action as either Minor, Medium or Major severity and may in-turn be added to this list of Major Misconduct detailed below and as annexures to the current policy:

5.1.1 Failure to work in accordance with prescribed Company guidelines, policies, procedures and CoEPC.

5.1.2 Breach of confidentiality, prejudicial to the interest of the Company.

5.1.3 Consumption of drugs, alcohol, any intoxicating substance etc during office hours, visiting the office premises or working under the influence of drugs, alcohol, any intoxicating substance etc.

5.1.4 Breach of IT policy / procedures like Password sharing, Unauthorized sharing of private, confidential or proprietary data, including customer data, with external parties unless sharing of such data and information is integral part of the job role or unless otherwise expressly permitted by the Company.

5.1.5 Giving false evidence/non-cooperation at the time of any investigation or inquiry.

5.1.6 Failure to report a potential conflict of interest.

5.1.7 Unauthorized participation in Print/ Electronic /Digital / Social media broadcast in relation to Company activities other than when authorized to do so.

5.1.8 Gambling within the premises of the Company.

5.1.9 Spreading rumours or giving false information which tends to bring disrepute to BFDL.

5.1.10 Refusal to accept a disciplinary notice or order or any communication from the management of the Company.

5.1.11 Taking up any employment or alternate business while being employed at BFDL, directly in his/her own name or indirectly in the name of their relative(s)
5.1.12 Submitting false or fraudulent bills to claim reimbursement.
5.1.13 Kickbacks from customers, vendors, service providers, other employees in cash or in kind, into the bank account of Employee directly or indirectly, from its relatives whereby relative shall include parents, spouse, blood relatives, brother-in law, sister-in law, father-in law, mother-in law etc. Employees are expected to declare their relationship with any of the Companies vendor, service provider, customer etc. to HR Department.
5.1.14 Unauthorized possession/misuse of Company's Assets.
5.1.15 Creating, storing, viewing, accessing or sharing the illicit content on the Company's Assets, such as desktop/laptop (within or outside the Company).
5.1.16 Breach of Security Procedures.
5.1.17 Acts of bullying, discrimination, physical violence or acts involving threats, intimidation, harassment, or coercion. Use, possession, sale or dissemination of explosives, firearms, chemicals, or other dangerous weapons or devices.
5.1.18 Violation of safety rules or failure or refusal to conform to safety practices/procedures or misuse of safety equipment.
5.1.19 Taking up any employment during one's leave or part time employment elsewhere during off duty hours without prior permission from the Company.
5.1.20 Making application for grant of leave on false or misleading grounds.
5.1.21 Display of unprofessional behaviour, dishonesty, insubordination, excessive absenteeism, indiscipline and misbehaviour with seniors or colleagues.
5.1.22 Moral turpitude (including non-adherence to the norms of acceptable interaction and behaviour in office or outside office).
5.1.23 Frequent absence from work, absconding from work, services for a period of three (3) consecutive working days without valid reason, notification or authorization, approval.
5.1.24 False declaration of educational qualifications or professional registrations, employment history or concealing, withholding and omitting any information that is critical as part of background verification.
5.1.25 Tampering and manipulating official documents or serious omission of facts.
5.1.26 Falsification of records (for example, information relating to employment, expense claims etc.).
5.1.27 Malfeasance, fraud or other financial irregularities perpetrated during the course of employment of the Company or in connivance of colleagues, relatives, known or unknown persons.
5.1.28 Misappropriation, misuse or wilful damage to the Asset, goodwill or reputation of the Company.
5.1.29 Offering bribes or attempting to bribe another individual or personally taking or knowingly allowing another person to take bribes, kickbacks, commissions, unsolicited gifts, illegal gratifications and benefits for making wrongful gains.
5.1.30 Abstaining from work, strikes, lockouts, picketing, gherao, boycotting from work or inciting/abetting others to abstain from work, strike, lockout, picketing, gherao, boycott from work.
5.1.31 Victimization of other employees.
5.1.32 Conduct prejudicial to the best interests of the Company.

5.1.33 Non-compliance / violation of laws, regulations, guidelines and procedures (such as Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), etc.)

5.1.34 Damage or apprehended damage to the Company's reputation.

5.1.35 Non-compliance with service rules and repeated minor misconducts.

5.1.36 Any other acts/ incidents that may be prejudicial to the best interests of the Company or is in violation of any applicable law.

The above list is non-exhaustive, and it is the Employee's responsibility to review, understand and keep abreast of any changes to company policies and regulations. The Employee needs to make sure that they do not engage in any activities that would be viewed as misconduct.

Note that additional forms of misconduct may also be defined by rules of employment, laws as applicable.

6. SEVERITY CATEGORIZATION

6.1 MINOR SEVERITY INCIDENTS

6.1.1 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 threatened / resulted in a cognizable and negative impact.

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

6.2 MEDIUM SEVERITY INCIDENTS

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

6.2.2 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 Company in general in a way such that he/she understands the damage caused by his/her 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)

6.3 MAJOR SEVERITY INCIDENTS

6.3.1 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.

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

6.3.3 Any actions undertaken at an individual level, while representing the 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.

6.4 ETHICS AND COMPLIANCE COMMITTEE

Based on the nature of the act, code of conduct, severity level, definitions mentioned in section 2.9 and any other related factors, the DAC committee in consultation with the Legal Head and/or Chief Financial Officer shall categorize as fraud and shall seek assistance from the Ethics and Compliance committee to determine the value of the associated transaction/s.

6.4.1 The Ethics and Compliance Committee is a committee who is responsible for determining the value of the reported transaction/s which is referred to as fraudulent transactions

6.4.2 The members of Ethics and Compliance Committee shall be members who has experience or profile of risks, finance, Operational Risk Management (ORM), compliance, or any other relevant functions who can assist with any case reported or identified

6.4.3 In case risk control unit (RCU), ORM team or any other functional areas whose expertise are needed doesn't not reside within the organisation then assistance can be sought by hiring external agencies if needed

6.5 COMPOSITION & QUORUM OF DISCIPLINARY ACTION COMMITTEE

DAC shall consist of certain senior management representatives from different functional areas in the Company (as per Annexure 1). However, 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 replacement.

Minimum two (02) members of the DAC should be part of the Quorum of the Disciplinary Actions Committee before which the Complaint is referred.

During the proceedings, the HR business partner has to be a part of the DAC to enable the process with relevant facts and assistance as required.

6.6 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 DAC.

6.6.1 An independent investigating officer or an authorised person having no interest in the matter, shall be appointed /authorised by the DAC. Such investigation officer or authorised the person will, investigate the facts and collate all the evidence as soon as reasonably practicable.

6.6.2 The investigating officer or authorised person engaged in an investigation should keep an open mind and should not judge the issues until all the facts have been ascertained.

6.6.3 The officer or person investigating the matter may briefly record the conversation over audio / video or email and obtain acceptance confirmation from the witnesses.

6.6.4 The Company will endeavour to gather all the evidence and interview relevant witnesses.

6.6.5 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.

6.6.6 No decisions will be taken until the investigation, and the disciplinary procedure has been completed.

6.6.7 The employee will not 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.

6.6.8 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 investigating officer may briefly record the conversation over audio/video or email and obtain acceptance confirmation from the witnesses.

6.6.9 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.

6.6.10 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.

6.7 DISCIPLINARY INQUIRY

If a preliminary inquiry finds that the alleged actions of an employee require a disciplinary inquiry, the HR Department will issue a Show Cause Notice to the employee. This notice will explain the specific actions or behaviours in question and inform the employee that a disciplinary inquiry will take place to look into the matter. The employee must be given a fair opportunity to present their side and be heard during this process.

HR Department will forward the investigation report, evidence and any other details/ documents concerning the incident to DAC for their review and consideration. No disciplinary action shall be taken for an act of misconduct unless it is preceded by a disciplinary inquiry and disciplinary proceedings in accordance with this policy.

6.8 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:

6.8.1 Investigation of the misconduct by the investigating officer including conducting interviews of the relevant persons and inspection of the necessary documents and records.

6.8.2 Investigating Officer or DAC may seek assistance on the investigation from Audit, Risk, HR Department, Information Technology, Finance or any appropriate department in the Company or any external agency, if it involves certain expertise / specialized services, depending on the severity of the case.

6.8.3 If the outcome of the investigation reveals sufficient evidence in relation to the misconduct, the investigation officer shall prepare a detailed investigation report clearly setting forth the findings of the investigation and the nature of charges against the concerned Employee. Such investigation report is to be submitted with the HR Department within thirty (30) working days post the inquiry is concluded.

6.8.4 HR will issue a show cause notice to the concerned Employee with an opportunity to provide a written response to the same and defend themselves within reasonable time frame.

6.8.5 However, where there is confession from the Employee at any stage of investigation Show Cause need not be issued.

6.8.6 Following receipt of the investigation report, investigation findings and response from the concerned Employee, the DAC shall hold a hearing in accordance with the principles of natural justice.

6.8.7 In the event that the 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.

6.8.8 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 or any suitable action; (viii) salary on hold (defined in Annexure 2)

6.8.9 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.

6.8.10 The disciplinary proceedings should be completed within ninety (90) days once it has been determined that the act of misconduct necessitates a disciplinary action and the report is submitted to HR. The period of ninety (90) days may only be extended by the DAC for cogent reasons.

6.9 EMPLOYEES' RIGHTS

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

6.9.1 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.

6.9.2 To find out the facts as may be appropriate before taking action under the formal parts of this procedure.

6.9.3 To be given the reason for any penalty imposed, in writing.

6.10 POSTPONEMENT OF HEARING

If 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 (02) meetings, and the same circumstances have applied to both, the DAC will decide whether to schedule a further meeting. The Employee must notify the DAC as soon as possible if they are unable to attend.

6.11 DISCIPLINARY ACTION STAIRCASE

The below table is indicative and does not set out an exhaustive list of incidents and the approach that the Company may adopt to deal with each type of incident. Depending upon the severity of the incident, the DAC committee and the management may deviate from the approach stipulated in the table mentioned herein below:

ISSUE TYPE	TYPE OF MISCONDUCT	SEVERITY & DISCIPLINARY ACTIONS (INDICATIVE)		
		MINOR SEVERITY	MEDIUM SEVERITY	MAJOR SEVERITY
Corporate Issues	Decision Making beyond the level of authority. (e.g., Speaking to Media about the company)	1. No Action 2. Counselling 3. Verbal Warning	1. Suspension 2. Written Warning 3. Incentive Docking	-
	1. Actions leading to 'Defamation' of the Company's brand image. Impersonation 2. Misconduct resulting in negative impact to Company's image (Bribery, illegal gratification, kickbacks, commissions, wrongful gains) 3. Misappropriation of Company Assets, funds & acts resulting to Legal proceedings	NA	NA	Termination
Business Issues	1. Decision Making beyond the level of authority (e.g., IRR Approval beyond the level of authority) 2. Non- Adherence to Business Policy and Process Involvement in unauthorized disclosure of information which is confidential in nature and includes information pertaining or relating to the Company, its business, customers, employees or administration 3. Involvement in Document & Signature Forgery, any other acts/ incidents which may amount to a criminal offence under Bhartiya Nyaya Sanhita	1. No Action 2. Counselling 3. Verbal Warning	1. Suspension 2. Written Warning 3. Incentive Docking	Termination
	Involvement in Fraud, Cash Funding and Misappropriation of company funds, tampering of accounts, forgery/fabrication of documents.	NA	NA	Termination

ISSUE TYPE	TYPE OF MISCONDUCT	SEVERITY & DISCIPLINARY ACTIONS (INDICATIVE)		
		MINOR SEVERITY	MEDIUM SEVERITY	MAJOR SEVERITY
Employee Conduct & Employment	1. Decision Making beyond the level of authority, reporting of inflated cost/expenditure, issuing / submission of incorrect receipts/bills/invoices/claims 2. Involvement in Suppression of any information and or misreporting/misrepresentation of facts, figures and information, Coercion, any other acts/ incidents which may amount to a criminal offence under Bhartiya Nyaya Sanhita (Fake Employee Claims and Reimbursement) 3. Involvement in Indecent office demeanour, Verbal Abuse, Unparliamentary language, non-reporting of malpractices despite having knowledge of same. Involvement in misbehaviour with office colleagues/business partners/Service providers/Vendors. Violation of Hiring Process (Hiding of facts) 4. Violation of Information Technology (INFO SEC - Sharing of official Information to Personal Mail ID), password sharing 5. Security policy breach, ESOP policy breach, BGV failure, Dual employment 6. Nonadherence to mandatory compliance trainings or any other	1. No Action 2. Counselling 3. Verbal Warning	1. Suspension 2. Written Warning 3. Incentive Docking	Termination

	company/ client mandated learning and training programs 7. Nonadherence to any company or client laid attendance, timesheets or any billing and compliance related mandates 8. Conducting any alternate business / employment either directly or indirectly through any Relative 9. Misuse of the BFDL's or any associated client's name, brand, or identity on any social media or other public forums			
	1. Involvement in Physical Assault or Damage to company property or Indecent office demeanour 2. Entering office under the influence of Alcohol/drugs	-	-	Termination

***Important Note –*

- *Legal intervention/recourse shall be resorted by the Company as and when it is felt necessary by the Company*
- *Non-compliance may result in salary hold for both employee and RM with DAC raised for the employee*
- *Employees shall not be eligible for any R&R for 6 months from the issuance of written warning letter*
- *Employees shall not be eligible for promotion, IJP, GIJP for 6 months from the issuance of written warning letter*

6.12 SUSPENSION PROCESS / GARDEN LEAVE

6.12.1 Indicative reasons for suspension are detailed out in Annexure 2 to this Policy.

6.12.2 The Employee shall be informed in writing about the suspension from duty and thus sent on garden leave as deemed fit. The suspension period will be on full pay and benefits whilst the investigation is being conducted.

6.12.3 The suspension letter would include the following:

6.12.3.1 The reason for the suspension

6.12.3.2 The date and time from which the suspension will operate

6.12.3.3 The expected duration of the ongoing investigation, and

6.12.3.4 The right of the Company to further extend the suspension

6.12.4 Suspension will be jointly reviewed by the DAC Committee on a regular basis along with the HR and care will be taken to ensure that the suspension is not unnecessarily protracted.

6.12.5 Employees shall, if suspended, have their security pass removed and access to their computer systems temporarily disabled.

7. COMMUNICATION AND RECORD KEEPING

7.1 Any action taken against the employee shall be communicated to all impacted stakeholder(s) via email

7.2 While communicating, respective business head / functional head, skip level manager, immediate reporting manager and HR partner shall also be kept informed

7.3 A detailed record of the employees will be maintained on an ongoing basis for all employees.

8. REPORTING

8.1 All inquiries will be tracked and reported quarterly to the management team, to the Audit Committee and all sensitivity with regards to investigations shall be adhered to and reasonable judgment shall be exercised on the disclosure of facts in each case.

8.2 The DAC shall submit to the Audit Committee a quarterly report on all DAC instances that have come to its knowledge in each quarter accompanied by supplementary material analysing statistical information and details of cases, so that the Audit

Committee would have adequate material to contribute effectively in regard to the punitive or preventive aspects of such instances.

9. **REVIEW**

BFDL reserves the right to review this policy annually or on need basis. 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 approval from the Board of Directors.

10. **ANNEXURE**

ANNEXURE – I COMMITTEE PANEL COMPOSITION

#	EMPLOYEE NAME	OFFICIAL EMAIL ID
1	Manish Jain	manish.jain6@bajajfinservmarkets.in
2	Deepak Nayar	deepak.nayar@bajajfinservmarkets.in
3	Jolly Ramtri	jolly.ramtri@bajajfinservmarkets.in
4	Anshuman Mishra	anshuman.mishra@bajajfinservmarkets.in
5	Priyanka Khinvasara	priyanka.khinvasara@bajajfinservmarkets.in
6	Vikas Pai	vikas.pai@bajajfinservmarkets.in

ANNEXURE – II DISCIPLINARY ACTION

DISCIPLINARY ACTION	DETAILS
No action	No action will be initiated where the case/offence is unfounded due to lack of supporting evidence or lack of merit (for the categories defined in Para 6. b). Note: where the case is a gross misconduct as defined in Para 6. but could not be established for lack of supporting evidence will not be covered under this category
Counselling	Action would be considered if: The conduct of an employee has fallen below an acceptable standard, and the employee has committed an offence as defined under Para/Clause 6 and which can be corrected by counselling. Note: where the case is a gross misconduct as defined in Para 6, but could not be established for lack of supporting evidence will not be covered under this category
Verbal/Oral Warning	Action would be considered if: The conduct of an employee has fallen below an acceptable standard, and the employee has committed an offence as defined under Para 6 It is found that such instance of indiscipline conduct has occurred, the outcome will normally consist of an oral warning by HR in the first instance, which will be recorded by the manager concerned, and copy will be held by HR on the employee's record. An email to be addressed by HR to the employee, recording the conversation with the employee, clearly capturing the oral warning provided to the employee
Written Warning	Action would be considered if: ▪ There is no improvement in conduct about which the employee has previously been warned; or ▪ Another related or recurrence of indiscipline conduct ▪ There shall be an impact on R&R
Incentive Docking	Action would be considered if: ▪ The conduct is of such seriousness that verbal, or further written warning are not considered appropriate but would NOT justify a termination from employment
Suspension	Action would be considered basis the preliminary evidence available, and DAC is convinced about the wrong having been committed by employee: ▪ To enable an investigation to be carried out without interference, where the Company has reasonable belief that the investigation may be interfered with and where there is no reasonable alternative. ▪ Where the Company has a reasonable belief that an employee has committed a criminal offence punishable under applicable laws and poses a risk to other employees or the reputation of the Company. ▪ Where the Company has a reasonable belief that there is risk to the ▪ Company's property or to other parties concerned and where there is ▪ No reasonable alternative. ▪ In cases of suspected serious or gross misconduct, gross negligence and/or serious or gross incompetence and where there is no reasonable alternative
Termination	Action would be considered, if: ▪ An allegation of gross misconduct is found to be proven; or

	▪ There is no improvement in the conduct within the specified period which has been the subject of a final written warning; or repeated misconduct committed by employee; the instance, which is felt appropriate and necessary by DAC

ANNEXURE III

QUORUM FOR ANY DISCIPLINARY ACTION COMMITTEE HEARING

Minimum two (2) of the DAC should be part of the quorum of the Disciplinary Actions Committee before which the Complaint is referred.

PRESIDING OFFICER OF THE DISCIPLINARY ACTIONS COMMITTEE

Head - Legal or CHRO / Head of HR shall be the Presiding officer of the Disciplinary Actions Committee with regards to this Disciplinary Actions Policy.

THIS POLICY SHALL BE READ IN CONJUNCTION WITH THE FOLLOWING POLICIES OF THE COMPANY

- Code of Ethics and Personal Conduct Policy [CoEPC]
- Anti-Money Laundering Policy [AML policy]
- Equal Employment Opportunities Policy [EEOP]
- Whistle Blower Policy [WB policy]
- Performance Improvement Plan [PIP]
- Appointment Letter and other employment terms

-end of document-