

# Bajaj Holdings & Investment Limited

## UPDATED TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE (Approved at the Board meeting on 15 May 2014 and updated on 10 September 2014)

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
3. While formulating the policy, to ensure that -
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. To take into account financial position of the company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders;
5. To lay down / formulate the evaluation criteria for performance evaluation of independent directors and the Board; and
6. To devise a policy on Board diversity.
7. To ensure 'Fit & Proper' status of the proposed/existing directors.
8. To review and approve the remuneration and change in remuneration payable to whole-time director(s) and
9. To review the remuneration and change in remuneration payable to senior managerial personnel, who are one level below the Board.

\*\*\*\*\*