

BAJAJ CORP LIMITED

CODE OF ETHICS FOR INDEPENDENT DIRECTORS*

The Code of Ethics for Independent Directors (“Code”) helps maintain the standards of governance and probity for BAJAJ CORP LIMITED (“Company”). The purpose of this Code is to align the duties and responsibilities of Independent Directors of the Company in line with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. Accordingly, the Independent Directors should read and understand this Code, uphold these standards, comply with all applicable laws, rules and regulations and all applicable policies adopted by the Company:

1. 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.

2. Role and functions:

An independent director 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 of 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.

3. Duties:

An independent director 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 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 / she 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.

4. Insider Trading:

Obligations under Indian securities laws apply to everyone as the Company is listed on the Indian stock exchanges. In the normal course of business, Independent Directors of the Company come into possession of significant, sensitive information. This information is the property of the Company. He/ she has been entrusted with it. He / she may not profit from it by buying or selling securities him/herself. Further he / she is not to tip others to enable them to profit or for them to profit on his/ her behalf. The purpose of this Code is both to inform his/ her of your legal responsibilities and to make clear to him / her that the misuse of sensitive information is contrary to Company policy and applicable Indian securities laws.

As per the provisions of SEBI (Insider Trading Regulation) it is prohibited to deal in shares / securities of the company during the period trading window is closed by the company. Our Secretarial / Finance department will announce from time to time about opening and closing of trading window and all concerned to whom this code applicable are required to abstain from trading of shares and securities of the company during the closure of trading window.

Insider trading is a crime, penalized by fines and imprisonment for individuals. In addition, the Securities and Exchange Board of India may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made, and are often subjected to an injunction against future violations. Finally, insider traders may be subjected to civil liability in private lawsuits.

Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. You should read the Insider Trading Rules of the SEBI carefully, paying particular attention to the specific policies and the potential criminal and civil liability and / or disciplinary action for insider trading violations. You should comply with the Insider Trading Rules, and abstain from entering into any transaction during closure of trading windows, and follow the pre-clearance procedures for trading and trade only during a trading window.

5. Prohibition Against Short Selling of Company Stock:

Independent Directors are prohibited, directly or indirectly, to sell any equity security, including derivatives, of the Company if he or she does not own the security sold, or owns the security, does not deliver it against such sale (a "short sale ") within the applicable settlement cycle.

6. Waivers and Amendments of the code:

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of amendment or waiver.

**By Order of the Board of Directors of
BAJAJ CORP LIMITED
Sd/-
SUJOY SIRCAR
COMPANY SECRETARY &
COMPLIANCE OFFICER**

Mumbai, August 1, 2014

** Adopted by the Board of Directors of the Company w.e.f August 1, 2014*