

BAJAJ HOUSING FINANCE LIMITED

CORPORATE GOVERNANCE POLICY

**Version 3
19 March 2025**

Sign of Sheet

APPROVED BY	Board of Directors	
RECOMMENDED BY	Shri. Atul Jain, Managing Director	
REVIEWED BY	Shri. Atul Patni, Company Secretary	
PREPARED BY	Shri. Abhijeet Deshmukh	

DOCUMENT CONTROL

Policy Name	Corporate Governance Policy
Original Issue Date	20 March 2017
Owner	Secretarial Department
Approver	Board of Directors
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Last Reviewed Date	15 March 2024

BACKGROUND

The Corporate Governance Policy ('Policy') provides the framework under which the Board of Directors operate. It includes Company's corporate structure, culture, policies and the manner in which it deals with various stakeholders.

The Policy has been aligned with the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the provisions of Corporate Governance guidelines as stipulated by the Master Direction Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 19 October 2023 and 17 February 2021 as amended.

POLICY

A. BOARD OF DIRECTORS

The Board is responsible to act in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board.

The Board of Directors shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty per cent. of the board of directors shall comprise of non-executive directors.

Provided that where the regular non-executive chairperson is a promoter of the Company or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

B. BOARD MEETINGS

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time gap of not more than one hundred and twenty days between any two consecutive meetings. The minimum information to be statutorily made available to the Board, pursuant to the applicable guidelines, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") shall be furnished to the Directors.

C. COMMITTEES OF THE BOARD

The committees constituted by the Board pursuant to RBI Directions read with SEBI Listing Regulations and the Act.

1. Audit Committee

The Audit Committee shall consist of not less than two-third members as Independent directors with Chairman also being an independent director. The Committee shall meet at least four times a financial year, with a maximum time gap of not more than one hundred and twenty days between any two consecutive meetings. The quorum for the meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. The scope/terms of the committee shall be as per provisions of the Act, SEBI Listing Regulations, RBI guidelines, best governance practices and directions given by the Board from time to time.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall consist of at least three non-executive directors with not less than two-third being independent directors including the Chairperson. The Committee shall meet at least once in a financial year. The quorum for a meeting shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The scope/terms of the committee shall be as per the provisions of the Act, SEBI Listing Regulations, RBI guidelines, best governance practices and directions given by the Board from time to time.

3. Risk Management Committee

The Committee shall have a minimum of three members including at least one independent director. The Committee shall meet on a quarterly basis in a financial year. The quorum for a meeting of the committee shall be either two members or one third of the members of the committee, whichever is higher. The scope/terms of the committee shall be as per the provisions of the Act, SEBI Listing Regulations, RBI guidelines, best governance practices and directions given by the Board from time to time.

4. Special committee for monitoring and follow up of cases of frauds

The Company shall have a special committee for monitoring and follow up of cases of frauds as required under the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India dated 15 July 2024. The committee shall have minimum three directors and chairperson of the Committee shall be an Independent Director. The Committee shall meet on a quarterly basis in a financial year. The quorum for a meeting shall be two members present (physically or virtually) with minimum one Independent Director. The scope/terms of the committee shall be as per provisions RBI guidelines, best governance practices and directions given by the Board from time to time.

5. IT Strategy Committee

The Company shall have an IT Strategy Committee, as required under the Master Direction on Information Technology Governance, Risk, Controls Assurance Practices dated 7

November 2023. The committee shall have minimum three directors and chairperson of the Committee shall be an independent director and have substantial IT expertise in managing/ guiding information technology initiatives. The Committee shall meet on a quarterly basis in a financial year. The scope/terms of the Committee shall be as per provisions RBI guidelines, best governance practices and directions given by the Board from time to time.

6. Review Committee for Wilful Defaulter's Identification

As per para 2 (d) of the RBI Circular dated 22 December 2014, and Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated 30 July 2024, the Review Committee was constituted by the Company to review the order passed by Identification Committee after considering written representation, if any forwarded by non-cooperative borrower(s) (Wilful Defaulters) and pass necessary orders upholding/rejecting the order passed by identification committee. The Committee shall have the MD/ CEO as chairperson with two independent directors or non-executive directors or equivalent officials serving as members. The Review Committee shall not be comprised of members who are part of the Identification Committee.

7. Asset Liability Management Committee (ALCO)

The Committee shall consist of the Company's top management and shall be responsible for ensuring adhere to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The Managing Director shall head the Committee.

The committees constituted by the Board pursuant to SEBI Listing Regulations and the Act:

1. Stakeholders Relationship Committee

The Company shall constitute a Stakeholders Relationship Committee to look into various aspects of interest of shareholders, debenture holders and other security holders. The Committee shall consist of not less than three directors, with at least one Independent director and Chairperson being a Non-executive director. The Committee shall meet at least once in a financial year. The scope/terms of the committee shall be as per the provisions of the Act, SEBI Listing Regulations and directions given by the Board from time to time.

2. Corporate Social Responsibility Committee

The Committee shall have three or more Directors, out of which at least one director shall be an independent director. The Committee shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken

by the Company. The scope/terms of the committee shall be as per provisions of the Act, and directions given by the Board from time to time.

D. VIGIL MECHANISM

The Company shall formulate a vigil mechanism / whistle blower policy to enable directors and employees to report genuine concerns about unethical behaviour actual or suspected fraud or violation of Company's Code of Conduct. The vigil mechanism / whistle blower policy shall provide a mechanism for an individual to report violations without fear of victimisation. The policy shall be hosted on the website of the Company.

E. FIT & PROPER CRITERIA

The Company shall have in place a Board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The Company must obtain a declaration and undertaking from the directors giving additional information on the directors and a Deed of Covenant signed by the directors, in the format prescribed. The Company shall furnish to RBI/NHB, a quarterly statement on change of directors, and a certificate that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Department of Supervision of the Bank where the company is registered, within 15 days of the close of the respective quarter. The statement submitted by applicable NBFC for the quarter ending March 31, shall be certified by the auditors.

F. DISCLOSURE AND TRANSPARENCY

The Company shall put up to the Board of Directors or its Committee, at regular intervals, as may be prescribed by the Board in this regard, the following:

- i. the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- ii. conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The Company shall also disclose the following in their Annual Financial Statements:

- i. registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii. ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. Penalties, if any, levied by any regulator;
- iv. information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and

- v. Asset-Liability maturity, extent of financing of parent company products, credit impaired loans and movement of credit impaired loans, details of all off-balance sheet exposures, structured products issued by the Company as also securitization/ assignment transactions and other disclosures, as may be prescribed by Reserve Bank of India from time to time.

G. ROTATION OF PARTNERS OF THE STATUTORY AUDITORS AUDIT FIRM

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit,

every three years so that same partner does not conduct audit of the company continuously more than a period of three years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of three years, if the Company, so decides. These terms shall be incorporated appropriately in the letter of appointment of the firm of auditors.

These provisions shall be read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs)' dated 27 April 2021, issued by Reserve Bank of India and as amended from time to time.

H. CEO/CFO CERTIFICATION

The Managing Director & CEO and the CFO shall, as per the provisions of the Act and applicable regulations of SEBI Listing Regulations, make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board. The Company shall abide by the RBI's directions on Internal Guidelines on Corporate Governance, Listing Regulations, and provisions of the Act pertaining to Corporate Governance.

The policy shall be subject to review annually by the Board.

Place: Pune

Date: 19 March 2025

Chairman