

# **BAJAJ HOUSING FINANCE LIMITED**

## **Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors**

### **Background:**

Pursuant to Regulation 19(4) read with Para A of Part D of Schedule II of the SEBI Listing Regulations, 2015, section 178(2) and Schedule IV of the Companies Act, 2013, the Company has laid down criteria for performance evaluation for Board, its Committees, Chairperson, and individual directors.

### **Criteria for Performance Evaluation:**

To carry out performance evaluation of Board, Committees, Chairperson and Directors, criteria to be considered would, *inter alia*, include the following:

#### **Part A: For Board & Committees of Board**

1. Competencies, no. of directors, experience and expertise of the Board / Committee as a whole to conduct the affairs of the Company effectively.
2. Frequency & Quality of Meetings including matters for discussion circulated well in advance.
3. Monitoring the effectiveness of Corporate Governance practices and Compliance.
4. Ensuring the integrity of the company's accounting and financial reporting systems, independent audit, internal audit and risk management systems (*for Board, Audit Committee and Risk Management Committee*)
5. Reviewing Management's Performance and providing appropriate feedback to them.
6. Working in the interests of all the stakeholders of the Company.
7. Clear understanding of the organisation's core business including its strategic direction and innovation.
8. Monitoring potential conflicts of interest of management, members of the board of directors and shareholders and related party transactions from time to time.
9. Clear and transparent process of appointment to the Board after considering the diversity of thought, experience, knowledge and perspective that may be required. (*for Board and Nomination and Remuneration Committee*)
10. Appropriate and adequate succession plan is in place for board and Senior Management and is being reviewed and overseen periodically by the Board. (*for Board and Nomination and Remuneration Committee*)
11. Review of the grievance redressal mechanism of investors. (*for Stakeholder's Relationship Committee*)

12. Review of the high-risk issues impacting the organisation. *(for Board and Risk Management Committee)*

#### **Part B: For Directors**

1. Regularly and constructively attend board, committee and general meetings as relevant and uses independent judgement in relation to decision making.
2. Compliance with the code of conduct of the company including maintaining confidentiality.
3. Demonstrating high level of integrity and acting in the interest of the company as a whole.
4. Exercising duties with due diligence and reasonable care.
5. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
6. Maintaining relationships of mutual trust and respect with Board Members.
7. Capacity to effectively examine financial and other information on operations of the Company.
8. Sufficient understanding and knowledge of the Company and the Sector in which it operates, staying abreast of issues, trends, and risks (including opportunities and competitive factors) affecting the company, and using this information to assess and guide the Company's performance.

#### **Part C: For Independent Directors (Additional Criteria)**

1. Bringing external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance, resources, key appointments, risk management, and standards of conduct.
2. Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the interest of all stakeholders, particularly minority shareholders.

#### **Part D: For Managing Director (Additional Criteria)**

1. Ability to anticipate emerging risks, business trends, financial prudence, opportunities, incorporating technological innovations to stay competitive and translating the same into actions.
2. Open to constructive suggestions and exercise effective leadership for the organisation.

**Part E: For Chairperson (Additional Criteria)**

1. Conducts meetings in a manner that encourages all members to share their views including dissenting views.
2. Leads the Board effectively in an impartial manner.
3. Demonstrates commitment to high standards of Governance.
4. Ability to keep all stakeholders' interests in mind.

**Pune**  
**27 January 2025**

**CHAIRMAN**