

BAJAJ HOUSING FINANCE LIMITED

REMUNERATION POLICY

(Approved by the Board of Directors at its meeting held on 14 January 2015)

(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director

1. Qualifications of Independent Director:-

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, operations or other disciplines related to the company's business.

2. Positive attributes of Independent Directors:-

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Independence of Independent Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 concerning independence of directors.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs may be paid a sitting fee for every meeting of the board or committee thereof attended by them as member, and/or commission at such rate as may be decided by the board.

Additional commission, apart from commission referred to above, may be paid to non-executive directors as may be decided by the board of directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the non-executive directors.

The company has no stock options plans for directors and no payment by way of bonus, pension, incentives etc. shall be paid.

B. MANAGING DIRECTOR & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Remuneration to Managing Director, if any shall take into account the Company's overall performance, Managing Director's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Remuneration to Directors, Key Managerial Personnel, Senior Management and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Since the Key Managerial Personnel of the company are also the Key Managerial Personnel of the holding company namely, Bajaj Finance Limited, and they are in receipt of the remuneration from that company, no remuneration is being paid by the company at present.

The above criteria and policy are subject to review by the Nomination and Remuneration committee and the Board of Directors of the Company.

FOR BAJAJ HOUSING FINANCE LIMITED

**Pune
14 January 2015**

**RAJEEV JAIN
CHAIRMAN AND MANAGING DIRECTOR**