

VIGIL MECHANISM AND WHISTLE-BLOWER POLICY
OF
NAVI FINSERV LIMITED

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May 26, 2023	Periodic Review	No later than May 24, 2024
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May 28, 2025	Periodic review and restatement of the Policy to clarify ownership of the Policy, include detailed procedure and roles and responsibilities of the Board, committees and departments involved.	No later than May 27, 2026
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VIGIL MECHANISM AND WHISTLE-BLOWER POLICY

1. OBJECTIVES

- 1.1 Navi Finserv Limited (the “**Company**”) is a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC), placed at present in the Middle Layer of the Reserve Bank of India (“**RBI**”)’s regulatory structure.
- 1.2 The Company is a high value debt listed entity (“**HVDLE**”) as defined under Regulation 62C of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”).
- 1.3 Regulatory Background:
- (i) Pursuant to sub-section (9) of section 177 of the Act read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to put in place an effective vigil mechanism enabling the directors and employees to report their genuine concerns or grievances.
 - (ii) Regulation 62J of the SEBI LODR Regulations requires HDVLEs to adopt a Board approved Policy with respect to an effective vigil / whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices in relation to the Company.
- 1.4 Accordingly, the Company has adopted this Vigil Mechanism and Whistleblower Policy (“**Policy**”) to establish a comprehensive framework outlining *inter alia* scope, reporting methods, safeguards against victimization, and roles and responsibilities of the persons involved.

2. DEFINITIONS

- 2.1 “**Act**” means the Companies Act, 2023, together with the rules and regulations issued thereunder, and as amended from time to time.
- 2.2 “**Applicable Law(s)**” shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any governmental agency and in each case as amended or modified.
- 2.3 “**Audit Committee**” / “**Committee**” shall mean the audit committee of the Company.
- 2.4 “**Code of Conduct**” shall mean the Code of Conduct as stipulated by the Company from time to time for its employees.
- 2.5 “**Protected Disclosure**” shall mean any communication (written or oral) made in good faith regarding a Suspected Violation.
- 2.6 “**Retaliation**” shall mean to include any adverse actions, harassment, or discrimination in employment on account of, or related to reporting of a Suspected Violation.
- 2.7 “**Suspected Violation**” shall mean to include any malpractices and/or events as laid down under Section 3.2 of this Policy and/or any other potential violation of the Code of Conduct and Ethics.
- 2.8 “**Whistleblower**” shall mean any director, employee or third party who makes a Protected Disclosure under this Policy.

3. SCOPE AND APPLICABILITY OF THE POLICY

3.1 This Policy shall apply to:

- (i) All directors, either executive or non-executive, of the Board of the Company;
- (ii) All permanent, contractual, temporary or trainee employees of the Company; and
- (iii) Any service provider or agent or vendor of the Company..

3.2 Any person listed in Section 3.1 above may make a Protected Disclosure in the manner set out in Section 5 of the Policy about a Suspected Violation involving or in connection with any of the following:

- (i) Abuse of authority;
- (ii) Breach of contract;
- (iii) Negligence causing substantial and specific danger to public health and safety;
- (iv) Negligence causing substantial financial or reputational cost;
- (v) Manipulation of Company data/records;
- (vi) Financial irregularities, including fraud or suspected fraud or deliberate deficiencies in internal control or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports;
- (vii) Any unlawful act whether of a criminal/ civil nature;
- (viii) Pilferage of confidential/propriety information;
- (ix) Deliberate violation of law/regulation;
- (x) Wastage / misappropriation of Company funds/assets;
- (xi) Bribery or corruption;
- (xii) Retaliation;
- (xiii) Breach of IT Security and data privacy;
- (xiv) Social Media Misuse; and/or
- (xv) Breach of Company's Code of Conduct or failure to implement or comply with any approved Company policy.

3.3 The following nature of complaints shall **not** be covered by this Policy:

- (i) Complaints that are frivolous in nature;
- (ii) Complaints which are vague, ambiguous and do not contain specific and verifiable information so as to establish a *prima facie* case for investigation.
- (iii) Complaints which are not related to the business, operations, or affairs of the Company.
- (iv) Issues relating to personal grievance (increment, promotion, etc.);
- (v) Sexual harassment matters which shall be dealt with in accordance to the Company's Board approved Prevention of Sexual Harassment at Workplace Policy ("**POSH Policy**"). If the Ethics Committee or any other member of Committee or employee receives a sexual harassment

complaint, it should be forwarded to Internal Committee set up for this purpose on under the POSH Policy; and

- (vi) Customer complaints and other grievances which shall be dealt with in accordance with the Grievance Redressal Policy of the Company.

4. DUTY TO REPORT

- 4.1 The Company's aim is to promote the highest ethical standards and maintain a workplace that facilitates the reporting of potential violations of Company policies and/or Applicable Laws. Every person to whom this Policy applies shall, upon becoming aware of a Suspected Violation, be required to report in accordance with the process set out hereunder.
- 4.2 Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of Company policies and/or Applicable Laws.
- 4.3 Any failure to report a Suspected Violation may contribute to abetting such acts and if it is eventually proved that any person identified in Section 3.1 of the Policy had knowledge of such violation and failed to report the same, the Company shall have the right to take disciplinary action against such persons.

5. MECHANISM TO REPORT

S. No.	Action	Channel
1.	Identification of Suspected Violation	Gathering proper evidence and reliable information
2.	Submission of Protected Disclosure	<ul style="list-style-type: none"> Call at Toll free Number India: 1800-102-6969; or Email to navi@integritymatters.in; Report on https://navi.integritymatters.in; or Email to the Ethics Department at ethics@navi.com; or Email to the Audit Committee at auditcommittee.nfl@navi.com <p>There are several means of reporting and the Whistleblower need not report to someone they believe may be involved in the Suspected Violation or from whom the Whistleblower would fear Retaliation.</p> <p>Where the Whistleblower has not reported anonymously, they may be contacted for further information. However, the Whistleblower's identity shall not be disclosed to any person against whom such a complaint has been made or who are believed to be involved in the Suspected Violation.</p>

		<p>Note: In exceptional or sensitive cases, the Whistleblower may directly approach the Chairperson of the Audit Committee by marking the correspondence as “Strictly Confidential – For Audit Committee Chairperson Only.”</p>
3.	Composition of the Protected Disclosure	<p>The Protected Disclosure should include as much information about the Suspected Violation as the Whistleblower can provide.</p> <p>Wherever possible, the Protected Disclosure should –</p> <ul style="list-style-type: none"> (a) describe the nature of the Suspected Violation; (b) the identities of persons involved in the Suspected Violation; (c) a description of documents that relate to the Suspected Violation; and (d) the time frame during which the suspected violation occurred.
4.	Acknowledgment	<p>The Ethics Department shall, within 3 (three) working days from the receipt of the Protected Disclosure, send an email acknowledgement to the Whistleblower.</p> <p>In the event the Protected Disclosure is made directly to the Audit Committee, then the Chairman shall acknowledge the same within a reasonable time., and shall refer the complaint to the Ethics Department for review</p>
5.	Preliminary Review	Ethics Department of the Company shall undertake preliminary review of the Protected Disclosure
6.	Investigation and Closure	<p>(a) The Ethics Department shall conduct investigations and disciplinary proceedings in accordance with the Company’s disciplinary framework, which ensures due process and fairness. Where necessary, the Ethics Department may engage external agencies with domain-specific expertise to assist with investigations into specialised areas such as financial impropriety, forensic accounting, digital imaging, or other complex technical matters, in order to ensure a thorough and impartial</p>

		<p>inquiry.</p> <p>(b) All Protected Disclosures under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain strictly confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with Applicable Law.</p> <p>(c) Every employee working for or with the Company has a duty to cooperate in the investigation of reports of violations.</p> <p>(d) Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment.</p> <p>(e) If, at the conclusion of its investigation, the Ethics Committee determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. Such action shall be recommended by the Ethics Committee. The Ethics Committee shall undertake an independent assessment of the findings presented by the Ethics Department, and for this purpose, may engage external agencies with domain-specific expertise to assist its independent assessment.</p> <p>(f) This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations.</p>
7.	Reporting to the Audit Committee	Quarterly summary of cases in the format attached hereto as Annexure 2.

6. ROLE OF THE ETHICS COMMITTEE

- 6.1 The “**Ethics Committee**” shall comprise of the Chief Executive Officer, Head of Human Resources and the Head of Legal Department.

- 6.2 If a complaint is lodged against a Director, or an employee above Level 10 in the organizational hierarchy, then the Chairman of the Board would become part of the committee to investigate the concern and to decide appropriate action.
- 6.3 If a concern is raised against one of the committee member/s and/or their direct reportee, such committee member will not participate in the deliberation and decision making by the committee. The Ethics Committee shall be responsible to make the final decision on all cases of Suspected Violations.

7. SAFEGUARDS AGAINST VICTIMIZATION

- 7.1 **Non – Retaliation:** Any attempt at Retaliation against a Whistleblower for a Protected Disclosure is strictly prohibited. No one may take any adverse action against a Whistleblower or any other employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably Suspected Violation. Incidents of Retaliation against any employee reporting a violation or participating in the investigation of a reasonably Suspected Violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in Retaliation against a Whistleblower may also be subject to civil, criminal and administrative penalties.
- 7.2 **Anonymity & Confidentiality:** Identities of Whistleblowers (and persons implicated) will be kept confidential to the fullest extent possible, consistent with the need to conduct an adequate investigation.
- 7.3 **Support & Protection:** If the Whistleblower faces threats or harassment, the Company will take interim measures (relocation, leave, counseling) until resolution.
- 7.4 **False Allegations:** Malicious or knowingly false disclosures will be subject to disciplinary action.

8. RIGHTS AND OBLIGATIONS OF THE WHISTLEBLOWER

- 8.1 A Whistleblower cannot require or instruct the investigation to be conducted as per the Whistleblower's own will, nor does he/she have a right to participate in any investigative activity other than to the extent that his/her cooperation is sought by the investigation officer(s).
- 8.2 The Whistleblower is not entitled to determine/direct what type of corrective or remedial action may be warranted with respect to a Protected Disclosure.
- 8.3 The Whistleblower should provide specific and verifiable details in the Protected Disclosure in an appropriate language that is not offensive.
- 8.4 The Whistleblower can seek clarifications with respect to this Policy, including the Whistleblower's role and the implications of submitting the Protected Disclosure from the Ethics Department.
- 8.5 The final decision to make the Protected Disclosure will, however, be solely that of the Whistleblower.
- 8.6 Though the Whistleblower would not necessarily be required to conclusively prove the points contained in the Protected Disclosure, to support such disclosure, the Whistleblower should provide all available evidence (which should be specific and verifiable and relate to the business, operations or affairs of the Company) to establish a *prima facie* case for investigation.

9. DOCUMENT RETENTION

- 9.1 All documents related to reporting, investigation and enforcement pursuant to this Policy shall be kept in accordance with the Company's Policy on Preservation of Documents and Applicable Laws.

10. IMPLEMENTATION OF THE POLICY

- 10.1 This Section outlines the responsibilities of various Board / management committees and departments in relation to the implementation of this Policy:

Audit Committee	<ul style="list-style-type: none"> (a) Review and recommend to the Board any amendments to this Policy; (b) Review and oversee the investigation and resolution of any Protected Disclosures that are sensitive in nature (or involve any Director, Senior Managerial Personnel, or Key Managerial Personnel) and/or are addressed directly to the Audit Committee. (c) The Chairman of the Audit Committee shall acknowledge the Protected Disclosure received from a Whistleblower as specified in Section 5. (d) Review quarterly reports of cases reported under the Policy. (e) Provide strategic oversight and ensure the integrity of the process followed in handling complaints. (f) Review findings of periodic ethical risk assessments undertaken by the Ethics Department.
Ethics Committee	<ul style="list-style-type: none"> (a) Conduct an independent assessment of all cases of Suspected Violations and make the final decision on disciplinary or remedial action. (b) Ensure fair adjudication and uphold the principles of natural justice in each case. (c) Coordinate closely with relevant Departments for proper investigation and resolution.
Managing Director	Approve any amendments to this Policy on account of changes in any existing law, regulation or Policy, as outlined in Section 11 .

Ethics Department	<ul style="list-style-type: none"> (a) Acknowledge receipt of Protected Disclosures within three (3) working days as specified under <u>Section 5</u>. (b) Undertake preliminary reviews and conduct investigations in accordance with the Policy and the Company's Disciplinary Framework. Engage external agencies with domain-specific expertise where necessary for conducting the inquiry. (c) Recommend any necessary changes to the Policy to the Board. (d) Coordinate with other Departments (Legal, HR, Vigilance) to ensure thorough and impartial investigations. (e) Facilitate timely and accurate reporting of summary cases to the Audit Committee. (f) Conduct periodic training sessions and awareness campaigns across employee levels to foster a culture of ethics and transparency. (g) Run and maintain a strong, confidential, and effective whistleblower mechanism ensuring fairness, non-retaliation, and timely resolution of concerns. (h) Conduct periodic ethical risk assessments and implement preventive measures to mitigate potential violations. Present the findings of such risk assessments to the Audit Committee of the Board
Human Resources Department	<ul style="list-style-type: none"> (a) Support the Ethics Department in conducting impartial investigations and implementing appropriate disciplinary action where necessary. (b) Provide protection to Whistleblowers facing harassment or threats, including through temporary measures such as leave or relocation. (c) Maintain confidentiality and prevent Retaliation throughout the investigation process. (d) Ensure that all employees are trained and made aware of their rights and obligations under this Policy.
Legal Department	<ul style="list-style-type: none"> (a) Advise the Ethics Committee and the investigating team on legal aspects of reported cases and ensure compliance with applicable laws. (b) Assist in conducting legally sound investigations and guide on potential regulatory consequences of reported violations.

	(c) Ensure confidentiality of all disclosures and provide legal support in cases requiring external reporting or prosecution.
Employees and Directors	<p>(a) Have a duty to report any suspected or actual violations in good faith and in accordance with this Policy.</p> <p>(b) Cooperate fully during investigations and maintain confidentiality.</p> <p>(c) Refrain from any form of Retaliation against Whistleblowers.</p> <p>(d) Participate in ethical training sessions and stay informed about their rights and obligations under this Policy.</p>
Whistleblower	<p>(a) Submit detailed and specific Protected Disclosures regarding any Suspected Violations.</p> <p>(b) Refrain from false or malicious reporting.</p> <p>(c) Cooperate during investigations as required.</p> <p>(d) Maintain confidentiality and respect the investigation process without influencing outcomes.</p>

11. REVIEW OR AMENDMENT OF THE POLICY

- 11.1 The Policy shall be amended or modified with the approval of the Board. The Policy shall be reviewed by the Board on an annual basis. Any amendments to this Policy shall be made on the basis of the recommendation of the Audit Committee.
- 11.2 Without prejudice to the foregoing, in the event the Policy requires to be amended to take into account any changes (whether on account of repeal of any existing law, or otherwise) in any existing regulation, law or policy (or any clarification with respect to any existing regulation, law or policy), the Managing Director of the Company may approve such changes to the Policy as may be required to comply with such changes, or clarifications. Any such changes approved by the Managing Director shall be placed before the Board, in its immediately succeeding meeting, for ratification by the Board.
- 11.3 Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.

12. DISCLOSURES AND ACKNOWLEDGMENT

- 12.1** The Policy shall be disclosed on the website of the Company, and shall at all times be displayed at all offices of the Company at a prominent place inside the Company's premises.
- 12.2** Further, the employees of the Company shall share a signed copy of the Acknowledgment to the Vigil Mechanism and Whistle-Blower Policy of the Company in the format as given under **Annexure 1** of this Policy.

Annexure 1

ACKNOWLEDGMENT AND AGREEMENT REGARDING THE WHISTLEBLOWER POLICY

This is to acknowledge that I have received a copy of the Company's Vigil Mechanism and Whistleblower Policy (the "**Policy**"). I understand that compliance with applicable laws and the Company's Code of Conduct and Ethics is important and, as a public company, the integrity of the financial information of the Company is paramount. I further understand that the Company is committed to a work environment free of retaliation for employees who have raised concerns regarding violations of this Policy, the Company's Code of Conduct and Ethics or any applicable laws and that the Company specifically prohibits retaliation whenever an employee makes a good faith report regarding such concerns. Accordingly, I specifically agree that to the extent that I reasonably suspect there has been a violation of applicable laws or the Company's Code of Conduct and Ethics, including any retaliation related to the reporting of such concerns, I will immediately report such conduct in accordance with the Policy. I further agree that I will not retaliate against any employee for reporting a reasonably suspected violation in good faith.

I understand and agree that to the extent I do not use the procedures outlined in the Policy, the Company and its officers and directors shall have the right to presume and rely on the fact that I have no knowledge or concern of any such information or conduct.

[Name of the Employee]

Date:

Annexure 2

Format for quarterly reporting to Audit Committee

Summary:

Total number of Whistleblower complaints ("Complaints") received during the quarter	
Number of Complaints taken up for investigation during the quarter	
Number of Complaints closed for lack of evidence/basis for investigation during the quarter	
Number of Complaints that are open from the previous quarter	
Number of Complaints closed during the quarter	
Number of Complaints that remain open at the end of the quarter	

Particulars of Complaints that are taken up for Investigation:

Details of Complaint received	Date of receipt of Complaint	Date of acknowledgement	Status of Investigation	Remarks

Particulars of Complaints that have been closed for lack of evidence/basis:

Details of Complaint received	Date of receipt of Complaint	Date of acknowledgement	Reason for closing the Complaint without Investigation