

**CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR
MANAGEMENT PERSONNEL
OF
Navi Finserv Limited
(Formerly known as Navi Finserv Private Limited)**



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Approved by	Board of Directors

Code of Conduct for Board of Directors and Senior Management Personnel

Introduction:

Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI Listing Regulations**"), the board of directors of Navi Finserv Limited ("**Company**") is required to lay down a code of conduct for all members of board of directors and senior management of the listed entity.

In compliance with the SEBI Listing Regulations, the board of directors of the Company ("**Board**") has laid down this Code for the Board and the senior management personnel of the Company (i.e. officers / personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the chief executive officer / managing director / whole time director/manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer ("**Senior Management Personnel**"). This Code enables the Company to publicly state to its external stakeholders (suppliers, customers, consumers and shareholders), the way in which they intend to do business.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to it in SEBI Listing Regulations and/or the Companies Act, 2013.

Applicability of the Code:

This code of conduct ("**Code**") applies to Board and the Senior Management Personnel.

Code of Conduct for all Directors:

All Directors of the Company shall –

- (i) act in accordance with the Articles of the Company.
- (ii) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (iii) exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (v) not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (vi) not assign their office and any assignment so made shall be void.

Code of Conduct for Non-Executive Directors:

Non-Executive Directors of the Company shall –

- (i) always act in the interest of the Company and ensure that any other business or personal association, which they may have, does not involve any conflict of interest with the operations of the Company and their role therein.

- (ii) comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to them in their individual capacities.
- (iii) safeguard the confidentiality of all information received by them by virtue of their position.

Code for Independent Directors (As per the Companies Act, 2013)

This Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

Guidelines of professional conduct:

An Independent Director shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising his duties;
- (iii) exercise his responsibilities in a bona fide manner in the interest of the Company;
- (iv) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (v) 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;
- (vi) 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; refrain from any action that would lead to loss of his independence;
- (vii) where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- (viii) assist the Company in implementing the best corporate governance practices.

Role and functions:

The Independent Directors shall:

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders;
- (vii) 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;

- (viii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Duties of Independent Directors:

The Independent Directors shall—

- (i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (ii) 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;
- (iii) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (v) strive to attend the general meetings of the Company;
- (vi) 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;
- (vii) keep themselves well informed about the Company and the external environment in which it operates;
- (viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (ix) 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;
- (x) 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;
- (xi) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (xii) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (xiii) 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.

Manner of appointment of Independent Directors:

- (i) Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (ii) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.
- (iii) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the

conditions specified in the Act and the rules made thereunder and that the proposed Director is independent of the management.

- (iv) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed Independent Director; the Board-level committee(s) in which the Independent Director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for directors and officers insurance, if any;
 - (e) the Code of Business Ethics that the company expects its Independent Director and employees to follow;
 - (f) the list of actions that an Independent Director should not do while functioning as such in the Company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (v) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- (vi) The terms and conditions of appointment of Independent Directors shall also be posted on the company's website.

Re-appointment of Independent Directors:

- (i) The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

Resignation or removal:

- (i) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (ii) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within three months from the date of such resignation or removal, as the case may be.
- (iii) Where the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

Separate meetings:

- (i) The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-Independent Directors and members of management;
- (ii) All the Independent Directors of the company shall strive to be present at such meeting;
- (iii) The meeting shall:

- (a) review the performance of non-Independent Directors and the Board as a whole;
- (b) review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation mechanism:

- (i) The performance evaluation of Independent Directors shall be done by the entire Board, excluding the Independent Director being evaluated.
- (ii) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Code of Conduct for Senior Management:

Senior Management shall:

- (i) Act in the best interests of, and fulfil their fiduciary obligations to the Company;
- (ii) Act honestly, fairly, ethically and with integrity;
- (iii) Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position;
- (iv) Will deal fairly with all stakeholders;
- (v) Comply with all applicable laws, rules and regulations;
- (vi) Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- (vii) Not use the Company's property or position for personal gain;
- (viii) Will not accept from or give to stakeholders gifts or other benefits not customary in normal social intercourse;
- (ix) Not use any information or opportunity received by them in their capacity as Directors or Senior Management Personnel in a manner that would be detrimental to the Company's interests;
- (x) Act in a manner to enhance and maintain the reputation of the Company;
- (xi) Disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director has or may have such an interest;
- (xii) Abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the board in which they may have a conflict or potential conflict of interest;
- (xiii) Not to serve as a Director or otherwise be in employment or engage in providing services to a Company that competes with the Company.
- (xiv) Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors or senior management, except when authorized or legally required to disclose such information;
- (xv) Not use confidential information acquired in the course of their service as Directors or Senior Management Personnel for their personal advantage or for the advantage of any other entity;
- (xvi) Help create and maintain a culture of high ethical standards and commitment to Compliance;

In addition to the above mentioned general code of conduct, Independent Directors on the Board of Directors of the Company shall:-

- (i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (ii) 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;
- (iii) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (v) strive to attend the general meetings of the Company;
- (vi) 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;
- (vii) keep themselves well informed about the Company and the external environment in which it operates;
- (ix) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (x) 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;
- (xi) 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;
- (xii) report concerns about unethical behaviour, actual or suspected fraud or violation of this Code or the Company's ethics policy;
- (xiii) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (xiv) 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.

A Director or senior manager who has concerns regarding compliance with this Code should raise those concerns with the chairman of the Board and the chairman of the Audit Committee, who will determine what action shall be taken to deal with the concern. In the extremely unlikely event that a waiver of this Code for a Director would be in the best interest of the Company, it must be approved by the Audit Committee and the Board of Directors.

There may be situations in which a Director would be in breach of his duty of confidentiality to another entity were he to disclose a conflict of interest to the Board of the Company. In such a situation, it shall be sufficient for the Director concerned to abstain from any participation in the matter concerned, without disclosing the nature of the conflict.

Annual Affirmation with compliance of this Code:

As per Regulation 26(3) of the SEBI Listing Regulations, all members of the Board and Senior Management Personnel of the Company shall affirm compliance with this Code on an annual basis.