

POLICY ON RELATED PARTY TRANSACTIONS

OF

NAVI LIMITED (FORMERLY KNOWN AS NAVI TECHNOLOGIES LIMITED)

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Policy owner	Head of Secretarial Department
Approved by	Board of Directors
Periodicity of Review	Once in three years

<u>Date of Review/ Amendment</u>	<u>Particulars</u>	<u>Next date of review</u>
June [16], 2025	No Changes	No later than June [15], 2028

POLICY ON RELATED PARTY TRANSACTIONS

OBJECTIVE

The objective of this Policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Parties.

The revised Policy shall come into effect from the date of the approval by the Board and shall to that extent be in supersession of the earlier Policy.

THE REGULATORY FRAMEWORK

The Companies Act 2013 ("Act") together with the Rules notified thereunder, and related circulars, clarifications, guidelines, and notifications issued thereunder (together referred to as "the applicable laws"), provide a framework for regulating transactions with Related Parties.

This policy is framed as per the requirements of the applicable laws and shall operate within the boundaries set by the laws.

DEFINITIONS

- (a) **"Key Managerial Personnel"** or **"KMP"** means as defined under Section 203 of the Act
- (b) **"Relative"**, with reference to any person, means one who is related to another and shall include those individuals as defined in 2(77) of the Act.
- (c) **"Related Party"** is a person or an entity which is a related party under Section 2(76) of the Act
- (d) **"Related Party Transaction"** means a transaction between the Company and a Related Party which is of the nature specified in sub-clause (a) to (g) of Section 188(1) of the Act; and

Explanation:

- (a) *Related Party Transaction includes a single transaction or a group of transactions in a contract.*
- (b) Following transactions shall not be Related Party Transactions:
 - i. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - ii. the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - payment of dividend;
 - subdivision or consolidation of securities;
 - issuance of securities by way of a rights issue or a bonus issue; and

- buy-back of securities.
- (e) **"Unforeseen Related Party Transaction"** means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.
- (f) **"Arm's Length Transaction"** means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- (g) **"Transactions in the ordinary course of business"** mean transactions/activities that are connected to or necessary for the business of the Company and satisfy the following principles:
 - i. The transaction/activity is permitted under the Memorandum and the Articles of Association of the Company;
 - ii. The transaction/activity is carried on a frequent or regular basis or is as per the industry practice and
 - iii. The terms of the transaction/activity are similar to those which would be otherwise applicable to transactions with unrelated parties.

POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval of the Committee or the Board or the Shareholders as required under this Policy.

APPROVAL FOR RELATED PARTY TRANSACTIONS

The Company shall not enter into any Related Party Transaction except as stated hereinafter.

Transactions requiring approval of Audit Committee:

- a. All Related Party Transactions and subsequent material modifications shall require approval of the Audit Committee and only those members who are not related parties for the said transaction shall approve the Related Party Transactions.
- b. A prior approval of the Audit Committee shall be required for all Related Party Transactions except for the following:
 - i. transactions between the Company and its wholly owned subsidiary/(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company for approval ("WOS Transactions")

Provided that any of the above Related Party Transaction which is not in the ordinary course of business or not at arm's length shall require a prior approval of the Audit Committee.

ii. Unforeseen Related Party Transactions

The Audit Committee shall approve/ratify the transactions listed under points (i.) and (ii.) above subsequently.

c. Related Party Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before its shareholders at the general meeting for approval, shall not require approval of the Audit Committee.

Transactions requiring approval of Board:

Following transactions shall require a prior approval of the Board:

- a. Related Party Transactions which are not in the ordinary course of business or not at arm's length price; and
- b. All transactions falling under the ambit of Section 188.
- c. Such transactions, which are recommended by the audit committee for the approval of the Board.

Transactions requiring approval of Shareholders of the Company:

All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.

Deemed Approval

- a. The transactions or arrangements which are specifically dealt with under the separate provisions of the Law and executed under separate approvals/procedures from relevant committee shall be deemed to be approved for the purpose of this Policy. Such transactions are enumerated below:
 - (i) Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;
 - (ii) Payment of remuneration, fees, commission, etc. to Directors of the Company pursuant to approval of the Nomination and Remuneration Committee;
 - (iii) Grant/issuance of stock options or stock appreciation rights or other share-based benefits to and payments made to/received from Directors or Key Managerial Personnel of the Company or directors/key managerial personnel/officers of its subsidiaries/associates pursuant to such share-based incentive plans as approved by shareholders.
 - (iv) Any benefits, interest arising to Related Party solely from the ownership of Company

shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee, or any other Board composed committee.

- (v) Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

APPROVAL & REVIEW MECHANISM:

While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Act, including any regulations, circulars, clarifications, or notifications issued by Ministry of Corporate Affairs, or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

The Audit Committee may grant omnibus approval for Related Party Transactions considering the repetitive nature of the transactions.

The Audit Committee, shall, after being authorized by the Board of Directors, specify the criteria for granting omnibus approvals to the Related Party Transactions proposed to be entered into by the Company in the manner and to the extent prescribed under the Laws. Such omnibus approvals shall be valid for one financial year. The Audit Committee shall, while granting such omnibus approvals, satisfy itself about the adherence to the criteria so specified by it.

The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.

The omnibus approval granted by the Audit Committee shall include the following particulars:

- (i) Name of the related parties;
- (ii) Nature and duration of the transaction;
- (iii) Maximum amount of transaction that can be entered into;
- (iv) The indicative base price or current contracted price and the formula for variation in the price, if any; and
- (v) Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

In case of Unforeseen Related Party Transactions, the Audit Committee may grant an omnibus approval for such transactions provided that the value does not exceed INR 1 crore per transaction in a financial

year.

The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company.

Any Director or Key Managerial Personnel who is interested in any Related Party Transaction shall not be present at the meeting of the Board or Audit Committee during discussions on the subject matter of the resolution relating to such transaction.

The Audit Committee shall review, on a quarterly basis, the details of all Related Party Transactions entered into by the Company.

On a quarterly basis, the management shall submit a report to the Audit Committee providing a comparison between the approvals granted and the actual transactions.

In the event the Company becomes aware of a Related Party Transaction with a related party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and shall take any such action it deems appropriate.

In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

DISCLOSURE:

Appropriate disclosures as required under the Act shall be made in its Annual Return, Boards' Report and at such other places as may be prescribed under the Act.

GENERAL

The Policy would be subject to revision/amendment in accordance with the Laws. The Audit Committee shall review the Policy at least once in three years to make suitable amendments for better implementation of the Policy.

The Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy. Any subsequent amendment(s)/ modification(s)/ circular(s)/ clarification(s)/ notification(s) in the Act or any other governing Act/Rules/Regulations or re-enactment thereof, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

Amendments to the Policy

Policy version	Amended/ Approved on	Approved by
Original Policy V1	March 06, 2022	Board of Directors
V2	February 26, 2024	Board of Directors
V3	June 16, 2025	Board of Directors