POLICY ON RELATED PARTY TRANSACTIONS

OF

NAVI LIMITED (FORMERLY KNOWN AS NAVI TECHNOLOGIES LIMITED)

Version Number	5.0
Date of Policy Adoption	March 06, 2022
Date of Review/Amendment of Policy	1. February 26, 2024 2. June 16, 2025 3. March 9, 2026 4. August 28, 2026
Policy owner	Chief Financial Officer
Approved by	Board of Directors
Periodicity of Review	Once in three years

Date of Review/ Amendment	**Particulars**	**Next date of review**
February 26, 2024	The policy was entirely revamped to keep the references limited to the Companies Act, 2013 and the applicable circulars in this regard.	June 16, 2025
June 16, 2025	No Changes	No later than June 15, 2028
March 09, 2026	Amendment of the Policy related to a. Identification of related partities b. Group Companies c. Addition of reference of a SOP	No later than March 8, 2029
August 28, 2026	Amendment of the Policy to include Preamble for Group entities to progressively bear their own operational costs as they mature, considering their business context and stage of development.	No later than August 27, 2029

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POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE:

This Policy governs Related Party Transactions of the Company provided to Group Companies.

The Group operates through multiple entities at different stages of maturity, scale and commercial readiness. Accordingly, it is a guiding principle of the Group's governance framework that as Group Companies mature and become capable of bearing their operational and shared service costs on a standalone basis, they shall progressively assume such costs.

This Preamble shall be read as an integral part of this Policy and shall guide the interpretation and implementation of all provisions relating to Group Support Arrangements and Group Transactions.

2. OBJECTIVE

2.1. The objective of this Policy is to set out the framework for approval and reporting requirements for Related Party Transactions ("**RPT**") of the **Company** , in accordance with the provisions of the Act and to ensure proper approval and reporting of transactions between the Company and its Related Party(ies). The Policy also records the Group's principle that Group Companies shall progressively bear their operational and shared-service costs as they mature, in accordance with the Preamble and the Group Transactions section below.

2.2. The Policy shall come into effect from the date of the approval by the Board.

3. DEFINITIONS

3.1. In this Policy, the following capitalized words shall have the meanings ascribed to them herein below:

(a) "**Act**" means the Companies Act, 2013, together with the rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force.

(b) "**Accounting Standards**" means the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.

(c) **"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.

(d) **"Audit Committee"** means the Audit Committee of the Board of the Company, as constituted from time to time.

(e) **"Board"** means Board of Directors of the Company.

(f) **"Company"** means Navi Limited.

(g) **"Interested Director"** means a Director of the Company who is, directly or indirectly, concerned or interested in any contract or arrangement entered into or proposed to be entered into by the Company, in the manner specified under Section 184(2) of the Companies Act, 2013, including through his/her shareholding, directorship, partnership or other interest in the counterparty to such contract or arrangement.

(h) **"Key Managerial Personnel**" or "**KMP**" means as defined under Section 2(51) of the Act

(i) "**Group Companies**" means collectively, the following entities:

Holding company - Navi Limited

Subsidiary Companies

- Navi Finserv Limited
- Navi General Insurance Limited
- Navi MF Sponsor Private Limited
- Navi Investment Advisors Private Limited
- Navi Payment Technologies Private Limited
- Navi Securities Private Limited
- Mavenhive Technologies Private Limited

Step-down subsidiaries

- Navi Fintech Private Limited (subsidiary of Navi Finserv Limited)
- Navi AMC Limited (subsidiary of Navi MF Sponsor Private Limited)
- Navi Trustee Limited (subsidiary of Navi MF Sponsor Private Limited)

(j) "**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.

(k) "**Related Party**" is a person or an entity which is a related party under Section 2(76) of the Act.

(l) "**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:

(i) Related Party Transaction includes a single transaction or a group of transactions in a contract.

(m) **"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.

(n) **"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.

3.2. All other words and expressions used but not defined in the Policy, but defined in the Act shall have the same meaning as respectively assigned to them in such Act or any statutory modification or re- enactment thereto, as the case may be.

4. POLICIES OF GROUP COMPANIES

4.1. In the event of any inconsistency between this Policy and the Policy adopted by Group Companies governing the related party transactions of that group company , the Policy adopted by that group company shall prevail.

5. PROCEDURES WITH RESPECT TO RELATED PARTY TRANSACTIONS

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

5.2. Identification of Related Party Transactions:

(a) Every Director of the Company and its subsidiaries/ joint venture shall, (i) at the time of appointment; (ii) periodically – as required by the Company/ subsidiary / joint venture company, and (iii) whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such director is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such Director shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

(b) Every KMP shall disclose his or her interest to the extent any Related Party Transaction is proposed to be taken up by the Audit Committee, Board or shareholders of the Company.

(c) The Company Secretary and/or Corporate Secretarial Department shall prepare and maintain the database of Related Parties on the of the basis definition of Related Party and aforesaid information/ declaration including any revisions therein.

5.3. Approval for Related Party Transactions:The Company shall not enter into any Related Party Transaction except as stated hereinafter.

(a) Transactions requiring approval of the Audit Committee:

(i) No Related Party Transaction or modification shall be entered into by the Company without prior approval of its Audit Committee. The approval of Related Party Transactions can be obtained as an omnibus approval in advance for transactions during the financial year (including for Unforeseen Related Party Transactions) or for specific contract/arrangement in case of multi-year contracts.

(ii) Transactions between the Company and its wholly owned subsidiaries, whose accounts are consolidated with the accounts of the Company, will not require

approval of the Audit Committee. 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 of the Company.

(iii) Where any Related Party Transaction is entered into by a director or any other employee, without obtaining the consent of the Audit Committee and if it is not ratified by the Audit Committee at a meeting within three months from the date on which such Related Party Transaction was entered into, such Related Party Transaction shall be voidable at the option of the Audit Committee, and if the Related Party Transaction is with a Related Party to any director, or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it. Further, it shall be open to the Company to proceed against a director or any other employee who had entered into such Related Party Transaction without approval of the Audit Committee, for recovery of any loss sustained by it as a result of such Related Party Transaction.

(b) Omnibus Approval:

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

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

(iii) 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. Such criteria shall cover: (1) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year, (2) the maximum value per transaction which can be allowed, (3) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval, (4) quarterly review of Related Party Transaction entered into by the Company pursuant to each of the omnibus approval made, and (5) transactions which cannot be subject to the omnibus approval by the Audit Committee.

(iv) The omnibus approval granted by the Audit Committee shall include the following particulars: (1) Name of the Related Parties; (2) Nature and duration of the transaction; (3) Maximum amount of transaction that can be entered into; (4) the indicative base price or current contracted price and the formula for variation in the price, if any; and (5) Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that the Audit Committee may grant an omnibus approval in case of Unforeseen Related Party Transactions.

(v) 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.

(vi) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

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

(c) Transactions requiring approval of the Board: The following transactions shall require a prior approval of the Board:

(i) Transactions covered under section 188(1) of the Act are to be placed for approval of the Board only if it is not in Ordinary Course of Business or not on Arms' Length Basis, after obtaining recommendation of the Audit Committee.

(ii) Where any Related Party Transaction is entered into by a director or any other employee, without obtaining the consent of the Board and if it is not ratified by the Board at a meeting within three months from the date on which such Related Party Transaction was entered into, such Related Party Transaction shall be voidable at the option of the Board, and if the Related Party Transaction is with a Related Party to any director, or is authorised by any other director, the Directors concerned shall indemnify the Company against any loss incurred by it. Further, it shall be open to the Company to proceed against a director or any other employee who had entered into such Related Party Transaction without approval of the Board, for recovery of any loss sustained by it as a result of such Related Party Transaction.

(iii) Arms' length basis shall be established taking into account either comparable with unrelated parties or by obtaining quotations or on cost plus reasonable margin basis, etc., determined on the basis of benchmarking reports/transfer pricing study/Industry wide accepted practices for determining arm's length as per discretion of the management.

(iv) The approval of the Board for Related Party Transactions in terms of Section 188(1) of the Act shall be obtained only at a duly convened meeting of the Board and shall not be passed by way of circular resolution.

(v) Any transactions with Related Parties (whether or not referred under Section 188 (1) of the Act may be referred by the Audit Committee to the Board if required, for approval.

(d) Transactions requiring approval of Shareholders of the Company:

(i) 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 an ordinary resolution; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.

(ii) The requirement of obtaining shareholders' approval shall not be applicable for Related Party Transactions entered into between the Company and the Company's wholly owned subsidiary, where the subsidiary's accounts are consolidated with the Company and placed before the shareholders' of the Company at the general meeting of the Company for approval.

5.4. **Exceptions:**

The transactions or arrangements which are specifically dealt with under the separate provisions of the Law and executed under separate approvals/procedures from the relevant board 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.

6. GROUP TRANSACTIONS

6.1. The provisions of this section set out the policy framework governing expenses incurred by the Company for or on behalf of Group Companies and the basis for charging or recovering such expenses from Group Companies.

6.2. The Company may incur certain expenses for the overall functioning, strategic direction, employee welfare and management of the Group Companies. These are expenses which are decided by the Company for the benefit of the overall Group Companies and/or its employees.

To streamline administrative processes and avoid immaterial internal cross-charges, such expenses may not be recovered from the respective Group Companies, for transactions upto INR 2 crores per Group Company per financial year with the approval from Chief Financial Officer of the Company. Notwithstanding, the Group Companies may cross charge and recover expenses, incurred by them, with the Company.

6.3. The Company may, for an interim period, decide not to recover certain expenses from respective Group Companies which are dependent upon the Company for their funding requirements on a regular basis, exceeding INR 2 crores per Group Company per financial year with the prior approval of the Chief Financial Officer and Managing Director and Chief Executive Office of the Company, provided that: (a) such non-recovery is on account of inability of the Group Company to bear these expenses out of profits; (b) the basis for non-recovery is documented. Notwithstanding the foregoing, as a Group Company matures and becomes capable of bearing its operational costs, such expenses arising in future shall be recovered by the Company from such Group Companies. Further, such approval should be time bound and subject to reassessment before renewal.

6.4. The Company may incur certain expenses for the furtherance of its business interests which may also benefit the Group Companies. These expenses are decided by the Company primarily for its benefit but may incidentally benefit the Group Companies/ its employees as well. Such expenses shall not be cross charged to the Group Companies (even where incidental benefit is derived by them) as these expenses are not incurred at the behest of such Group Companies. The Company suo motto incurs these expenses for its business interest and impact on such Group Companies are only incidental.

6.5. The Company may negotiate costs with certain vendors on behalf of the Group Companies. Such consolidated negotiation enables the Company to optimise costs in view of economies of scale. In such instances, each Group Company would enter into agreements with unrelated third party vendors at agreed rates. There may be a situation where the vendor invoices each Group Company separately based on the agreed rates and agreed allocation of utilization of services. The management of the respective Group Companies shall agree to an allocation basis as per the SOP to be adopted by each Group Company. Such transactions of Group Companies with third party vendors are not in the nature of Related Party Transactions.

7. APPROVAL & REVIEW MECHANISM

7.1. The Company shall place all the necessary information, as required under the Act including disclosures in the notice of the general meeting, before the Audit Committee, Board or the Shareholders, case may be, while seeking their approvals.

7.2. Where any Director or KMP is interested in any Related Party Transaction, the Interested Director shall not be present, including through video conferencing or other audio visual means, at the meeting during discussions on the subject matter of the resolution relating to such Related Party Transaction.

7.3. All Related Party Transactions for which omnibus approval is obtained, shall be reviewed by the Audit Committee on a quarterly basis. Further, the Audit Committee shall review, on a quarterly basis, the details of all Related Party Transactions entered into by the Company.

7.4. 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 for noting.

8. REVIEW OR AMENDMENT OF THE POLICY

8.1. Any amendments to this Policy shall be approved by the Board, on the recommendation of the Audit Committee. The Board shall review the Policy at least once in three years to make suitable amendments for better implementation of the Policy.

8.2. 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 and Chief Executive Officer 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 and Chief Executive Officer shall be placed before the Audit Committee and the Board, in its immediately succeeding meeting, for ratification by the Audit Committee and the Board.

8.3. Notwithstanding anything contained in this Policy, in case of any contradiction of any 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.

8.4. The Management of the Company shall formulate a SOP governing the processes involving identification, approval and reporting of Related Party Transactions. The SOP shall also provide for the process to be followed for allocation of expenses negotiated by the Company at a group level.

9. DISCLOSURE

9.1. 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.