

Code of Conduct for Debt Recovery Agents
Navi Finserv Limited

Version No	5
Date of original adoption of Code	February 11, 2022
Date of amendment of Code	October 14, 2022 August 11, 2023 July 22, 2024 December 4, 2024
Policy owner	Head of Operations
Approved by	Board of Directors
Periodicity of Review	Annual

<u>Date of Review</u>	<u>Particulars</u>	<u>Next date of review</u>
December 4, 2024	Updates with respect to permissible hours for customer calling; reference to SOP on maximum number of calls; updation of reference to "Agents" to "Personnel", and removal of cash receipts.	No later than December 3, 2025

1. **Introduction**

- 1.1. Navi Finserv Limited (the "**Company**") is a non-banking financial company ("**NBFC**") that provides various loan products to its customers ("**Customers**").
- 1.2. This Code of Conduct (the "**Code**") applies to all debt recovery Personnel (*as defined hereinafter*) appointed by the Company. All Personnel undertake to abide by this Code, the Fair Practice Code and Outsourcing Policy of the Company, and the agreements between the Company and the Personnel (or their employing agencies), as applicable, before undertaking any debt recovery activities. Violations of this Code or other Company policies may result in termination or legal or disciplinary action.
- 1.3. *Specifically for debt recovery third-party agencies*, this Code forms an integral part of the agreement between the Company and such agency. This Code is in addition to the service level agreements between such recovery agency and the Company. In case of any ambiguity between the Company policies and service level agreement, the policies shall supersede the service level agreement.

2. **Definitions**

- 2.1. "**Personnel**" includes individual personnel employed by the Company, third-party agencies, and employees of third-party agencies involved in debt recovery activities.
- 2.2. "**Borrower**" or "**Customers**" refers to individuals that have availed a loan from the Company.

3. **Compliance with Applicable Laws and Company Policies**

- 3.1. Personnel must comply with all applicable laws, regulations, and Company policies, particularly with respect to the timing, location, and manner of their interactions with Customers. As Personnel receive privileged customer information, they must adhere to data privacy requirements under applicable laws, and the Company policies.
- 3.2. The Company would share Customer information only on a need-to-know basis with Personnel assigned to debt recovery tasks. Personnel cannot disclose Customer information to third parties and will be held liable for any unauthorized

security breaches or disclosures.

- 3.3. Personnel who are employees of the Company will be trained on their obligations under this Code, including to maintain Borrower confidentiality and data privacy, emphasizing the negative impact of confidentiality breaches. For Personnel employed by third party agencies, the training would be conducted by the third-party agency. The Company will disclose the names of all third-party agencies engaged in collections and recovery activities on its website (<https://navi.com/finserv/governance/other-regulatory-disclosures>).

4. Obligations of Personnel

4.1. Courteous Behavior:

- (a) Personnel must treat Customers with dignity and respect, maintaining the service standards set by the Company.
- (b) Contact with Customers can only be established between 8:00 AM and 7:00 PM.
- (c) Customers can be contacted at their primary address registered with the Company. Visits to any other address obtained during the loan process will only be conducted if the Customer is not reachable at his / her primary address.
- (d) Intimidation (including but not limited to, persistently calling the Customers, calling the Customers at odd hours, using muscle power for recovery, harassment, or using abusive language towards Borrowers, family members/relatives, friends of Customers, sending inappropriate messages either on mobile or through social media of Customers) is strictly prohibited.
- (e) Personnel should attempt to make all efforts to provide assistance to resolve Customer's queries and issues.
- (f) Customers should be spoken to in a language they are comfortable with, and collection and repossession activities must be conducted peacefully, without using force or causing harm.
- (g) During the recovery process, Personnel must identify themselves as the Company's debt recovery staff/ agents, as applicable and provide identification upon request.
- (h) Personnel must provide Customers with accurate contact details for lodging grievances and guide them on accessing the Company's Customer Grievance Redressal Policy.

4.2. No Misrepresentation:

- (a) Personnel must provide Customers with accurate information regarding

their dues and issue suitable receipts for collected amounts.

- (b) Personnel must not make false statements or claims of affiliation with any governmental agency or produce misleading communications.

4.3. **Other Obligations:**

- (a) Personnel must not accept gifts or bribes.
- (b) Personnel must not falsely promise fee discounts or waivers of financial charges.
- (c) Misappropriation of Borrowers' money for personal use is strictly prohibited.
- (d) Personnel are required to strictly follow the internal SOPs concerning the permitted number of calls, as amended from time to time.

4.4. **Confidentiality:**

- (a) Personnel must not discuss Customers' debt obligations, or other sensitive information relating to the Customer with third parties without explicit written or recorded consent.
- (b) Personnel should avoid discussing loan details with minors, elderly persons, or third parties in the Customer's absence.
- (c) Personnel must maintain strict Customer confidentiality and protect the Company's integrity and reputation.

5. Dignity of Personnel

Personnel deserve to be treated with dignity and respect. They may refer the Customer to their Team Leaders or Supervisors, or end calls or interactions when a Customer becomes abusive or threatening. In case of tele-interactions, Customers should be informed prior to the termination of such calls. All calls where the Customer becomes abusive or threatening should be appropriately documented and reported to the Company.

6. Amendments and Compliance with Company Instructions:

- 6.1. The Code shall be amended or modified with the approval of the Board (except as otherwise provided in Section 7). The Code shall be reviewed by the Board on an annual basis.
- 6.2. Without prejudice to the foregoing, in the event the Code 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.

- 6.3. Notwithstanding anything contained in this Code, in case of any contradiction of the provision of this Code 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 Code.
- 6.4. Personnel must comply with the Company's instructions and any amendments to this Code.
- 6.5. The Company shall notify Personnel via email or other electronic means of any amendments to the Code, and Personnel are required to adhere to all communications received from the Company. Amendments become applicable upon notification.

7. Violation of the Code and associated penalties:

- 7.1. Violations of this Code, Company policies, applicable laws, or instructions may result in disciplinary action. The obligations prescribed are indicative, and Personnel are expected to use their judgment when dealing with Customers.
- 7.2. An illustrative list of violations is annexed to the Code at **Annexure 1**. The list is only indicative, and the Company may make suitable amendments to the same, from time to time. Such amendments shall be approved by the Chief Executive Officer of the Company, and shall be placed before the Board for ratification, at its immediately succeeding meeting.
- 7.3. Non-adherence to this Code, applicable laws, and Company policies will lead to penalties, ranging from providing feedback, issuing warning letters, docking incentives, to termination, depending on the severity of the breach.

8. Escalation:

In case of doubts regarding this Code, Personnel should contact the customer service desk at help@navi.com, or contact their respective City supervisors.

9. Declaration-Cum-Undertaking:

All Personnel must sign a declaration-cum-undertaking to abide by this Code, the Fair

Practice Code of the Company and the Company's Collection and Recovery Policy.

**Annexure 1: Declaration-Cum-Undertaking
(To be obtained from all Personnel)**

From:

[Staff Name/ Agent Name/Agency Name]
[Agent/Agency Registered Office Address]

To:

Managing Director
Navi Finserv Limited
2nd Floor, Vaishnavi Tech Square,
Ibbalur- 560103

Subject: Undertaking to Abide by the Code of Conduct for Debt Recovery Agents

Dear Sir,

[I/We], [Staff/ Agent Name/Agency Name], hereby undertake to abide by Navi Finserv Limited's Code of Conduct for Debt Recovery Agents, its Fair Practice Code and Collection and Recovery Policy..

[I/We] confirm that we have read and understood the Code of Conduct and agree to comply with the same.

Signature:

[Signature of Collection Services Agency/Agent/ Staff]

Acknowledged

by:

Navi Finserv Limited

Date: _____ 202_

Annexure 1: Illustration of Violations

1. Non-adherence to policies, Code of Conduct, and other standards and norms set by the Company
2. Not carrying proper identity card and authentication letter issued by the Company
3. Rude behavior towards Customers
4. Use of abusive language / inappropriate actions (in case of physical visits)
5. Committing fraud / misappropriation of funds including collection of cash from Customers and fraudulently not depositing the same with the Company or depositing a lower amount
6. Non-compliance with applicable laws
7. Breach of confidentiality obligations in relation to Customer's information
8. Calling or visiting the Customer any time before 8:00 AM and/or after 7:00 PM.
9. Threatening Customers with physical harm, social shaming, or the unauthorized disclosure or manipulation of their personal documents
10. Using sarcastic or offensive language with the Customers
11. Self-funding the Customers' equated monthly installments (EMIs) or funding the Customers' EMIs from any unauthorized sources without explicit authorization from the Customer
12. Transactions related to EMIs without proper identification and authorization from the Customer