



**PhonePe Limited (the “Company” or “PhonePe”)
Code of Conduct for Members of the Board and Senior
Management (the “Code”)**

Table of Contents

Objective	3
Applicability	3
Definitions	3
Responsibilities, functions and duties of the Members of the Board and Senior Management	4
Disclosure of information	4
Key duties, functions and responsibilities:.....	4
Additional conduct and duties of the Independent Directors	5
Guidelines for professional conduct	5
Key role, functions and duties	5
Separate Meetings of Independent Directors.....	6
Annual Compliance with this Code	6
Subsequent amendments	6
Review of this Code	7
Annexure	8

Objective

This Code lays down the responsibilities and duties of the Board of Directors and Senior Management of PhonePe in accordance with the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Applicability

This Code has been issued with the approval of the Board of Directors of PhonePe and shall come into force with effect from the date of listing of the Company's equity shares on recognized stock exchange(s) in India.

This Code shall be applicable to all the members of the Board of Directors and Senior Management of PhonePe and will be hosted on the website of the Company.

Definitions

Unless the context requires otherwise, the words, terms, expressions, and derivations used in this Code of Conduct shall have the same meaning given in the Companies Act, 2013 and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time:

"Act" means Companies Act, 2013, as amended from time to time and the Rules framed thereunder (including any statutory modifications, enactments or re-enactments thereof for the time being in force).

"Board" or **"Board of Directors"** means the Board of Directors of PhonePe.

"Code" means Code of Conduct for Members of the Board and Senior Management of the Company.

"Company" means PhonePe Limited ("**PhonePe**").

"Directors" or **"Members of the Board"** means directors of the Company.

"Independent Director" means an Independent Director as defined under section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Key Managerial Personnel" means key managerial personnel as defined under section 2(51) of the Act and Regulation 2(1)(o) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"SEBI" means Securities and Exchange Board of India.

"SEBI LODR Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modifications, enactments or re-enactments thereof for the time being in force) together with the circulars/ guidance issued by the stock exchange(s) and SEBI.

"Senior Management" means and includes anyone as per Regulation 16(1)(d) of SEBI LODR Regulations.

Responsibilities, functions and duties of the Members of the Board and Senior Management

Disclosure of information

- ▶ Members of the Board and Key Managerial Personnel shall disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity;
- ▶ Senior Management shall make disclosures to the Board relating to all material, financial and commercial transactions, where he or she has personal interest that may have a potential conflict with the interest of the Company and its subsidiaries;
Explanation.- For the purpose of the above, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc;
- ▶ To provide such other disclosures, declarations, and information as may be required to be provided by the Members of the Board and Senior Management, per the requirement of the Act, SEBI LODR Regulations, and internal policies or procedures of PhonePe; and
- ▶ To provide such other disclosures, declarations, and information as may be required for the Company to comply with the applicable laws.

Key duties, functions and responsibilities:

Members of the Board of PhonePe:

- ▶ shall act in accordance with the articles of the Company;
- ▶ shall 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;
- ▶ shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- ▶ shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- ▶ shall not achieve or attempt to achieve any undue gain or advantage either to himself or to their relatives, partners, or associates and if such Director is found guilty of making any undue gain, the Director shall be liable to pay an amount equal to that gain to the Company;
- ▶ shall not assign its office and any assignment so made shall be void;
- ▶ shall ensure that in the preparation of the annual accounts, the applicable accounting standards is followed along with proper explanation relating to material departures;
- ▶ shall select such accounting policies and apply them consistently and make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- ▶ shall take proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ▶ shall ensure that the annual accounts are prepared on a going concern basis;
- ▶ shall lay down internal financial controls to be followed by the Company and ensure that such internal financial controls are adequate and are operating effectively;
- ▶ shall devise proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- ▶ shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of PhonePe and the shareholders; and
- ▶ shall be able to commit themselves effectively to their responsibilities.

Further, Senior Management of PhonePe:

- ▶ shall facilitate the Board in general and particularly the Independent Directors to perform their role effectively as a member of the Board and also a member of a committee of the Board; and
- ▶ shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

In addition to the above, the Members of the Board and Senior Management shall also adhere to the Company's Code of Conduct.

Additional conduct and duties of the Independent Directors

Moreover, and as required by the Act and this Code, Independent Directors are expected to adhere to the following additional standards, functions, and duties:

Guidelines for professional conduct

An Independent Director shall:

- ▶ uphold ethical standards of integrity and probity;
- ▶ act objectively and constructively while exercising his duties;
- ▶ exercise his responsibilities in a *bona fide* manner in the interest of the Company;
- ▶ devote sufficient time and attention to his professional obligations for informed and balanced decision-making;
- ▶ 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;
- ▶ 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;
- ▶ where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly; and
- ▶ assist the Company in implementing the best corporate governance practices.

Key role, functions and duties

The Independent Directors shall:

- ▶ 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;
- ▶ bring an objective view in the evaluation of the performance of Board and management;
- ▶ scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ▶ satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- ▶ safeguard the interests of all stakeholders, particularly the minority shareholders;
- ▶ balance the conflicting interest of the stakeholders;
- ▶ 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;
- ▶ moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;

- ▶ undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ▶ 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;
- ▶ strive to attend all meetings of the Board and of the Board committees of which they are a member;
- ▶ participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- ▶ strive to attend the general meetings of the Company;
- ▶ 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;
- ▶ keep themselves well informed about the Company and the external environment in which it operates;
- ▶ not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ▶ 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;
- ▶ 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;
- ▶ report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- ▶ act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- ▶ 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.

Separate Meetings of Independent Directors

- ▶ 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, as is required under the Act and SEBI LODR Regulations, as applicable;
- ▶ All the Independent Directors of the Company shall endeavour to be present at such meetings; and
- ▶ Such meeting of the Independent Directors 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.

Annual Compliance with this Code

All Members of the Board and Senior Management shall affirm compliance with this Code on an annual basis in the format as prescribed under the **Annexure**.

Subsequent amendments

This Code has been framed to comply with the applicable provisions of the Act and of the SEBI LODR Regulations, as on date of approval of this Code. Any subsequent amendment/modification in the applicable provisions of Act or the rules made thereunder or in the SEBI LODR Regulations or any

other relevant statute in this regard shall be deemed to be incorporated in this Code until such changes can be codified into this Code.

Review of this Code

The Board reserves its right to amend or modify/revise/amend this Code in whole or in part, at any time without assigning any reason whatsoever. The Board may review this Code from time to time and make suitable modification(s) due to change in applicable laws or otherwise, as may be required, to make it responsive and relevant to the changing times.

In the event of any conflict between the provisions of this Code and of the applicable law/ regulation, such applicable law/ regulation, as amended from time to time, shall prevail over this Code.

Version	: 1.0
Version approved by	: The Board of Directors of the Company
Version approved on	: 28/29 January 2025
Last Modified on	: 01 May 2025*
Effective Date	: 29 January 2025

**to the limited extent of updation of name on account of conversion to a public limited company*

ACKNOWLEDGEMENT FORM

To,
The Compliance Officer,
PhonePe Limited

Sub: Annual affirmation to the Code of Conduct for Members of the Board and Senior Management

I, [*Name of the Director/Senior Management*], [*Designation of the Director/Senior Management*] do hereby affirm that I, to the best of my knowledge and belief, have complied with the provisions of the Code of Conduct for Members of the Board and Senior Management of the Company during the financial year ended 31 March [*Year*].

[Signature]

Name: [*]
DIN: [*only for Directors*]
Designation: [*]

Date: [*]
Place: [*]