



PhonePe Limited (the “Company” or “PhonePe”)

**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive
Information (the “Code”)**

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Objective

In terms of Regulation 8(1) of the SEBI PIT Regulations, the board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of UPSI.

This Code is prepared with the objective to elaborate on the principles of fair disclosure in order to ensure fair and prompt public disclosure of Unpublished Price Sensitive Information.

This Code must be read in conjunction with the Company's 'Code of Conduct for Prohibition of Insider Trading' and 'Policy and Procedures for Inquiry into Leak or Suspected Leak of Unpublished Price Sensitive Information'.

Applicability

This Code has been issued with the approval of the Board of PhonePe and shall come into force with effect from the date of listing of the Company's equity shares on the recognized stock exchange(s) in India. This Code shall also be posted on the website of the Company i.e. www.phonepe.com, once fully operational.

Definitions

Unless the context requires otherwise, the words, terms, expressions, and derivations used in this Policy shall have the same meaning given in the SEBI PIT Regulations:

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

"Chief Investor Relations Officer" or **"CIRO"** means a senior officer who is designated to deal with dissemination of information and disclosure of unpublished price sensitive information in a fair and unbiased manner.

"Code" means this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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

"Compliance Officer" means a compliance officer as defined under Regulation 2(1)(c) of SEBI PIT Regulations.

"Insider" means an insider as defined under Regulation 2(1)(g) of SEBI PIT Regulations.

"Legitimate Purpose" shall have the meaning assigned to it under Regulation 3(2A) of SEBI PIT Regulations.

"SEBI" means the Securities and Exchange Board of India.

"SEBI PIT Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) together with the circulars/ guidance issued by the stock exchange(s) and SEBI.

"Unpublished Price Sensitive Information" or **"UPSI"** means any information, relating to the Company and/or its material subsidiary or the Company's securities, directly or indirectly, that is not generally available and which, upon becoming generally available, is likely to materially affect the price of the securities of the Company and shall, ordinarily include but is not restricted to, information relating to:

- (i) financial results or projections (e.g., revenues, net income, etc.);

- (ii) dividends;
- (iii) changes in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- (v) significant litigation(s);
- (vi) significant cybersecurity risk(s) or incident(s);
- (vii) changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- (viii) change in rating(s), other than ESG rating(s);
- (ix) fund raising proposed to be undertaken;
- (x) agreements, by whatever name called, which may impact the management or control of the Company;
- (xi) fraud or defaults by the Company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter, or director of the Company, whether occurred within India or abroad;
- (xii) resolution plan/restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- (xiii) admission of winding-up petition filed by any party/creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the Company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- (xiv) initiation of forensic audit, by whatever name called, by the Company or any other entity for detecting mis-statement in financials, misappropriation/siphoning or diversion of funds and receipt of final forensic audit report;
- (xv) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, promoter, or subsidiary, in relation to the Company;
- (xvi) outcome of any litigation(s) or dispute(s) which may have an impact on the Company;
- (xvii) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the Company not in the normal course of business; and
- (xviii) granting, withdrawal, surrender, cancellation, or suspension of key licenses or regulatory approvals.

Explanation 1 - For the purpose of sub-clause (xi):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**").

Explanation 2 - For identification of events enumerated in this definition as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the SEBI LODR Regulations as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the SEBI LODR Regulations shall be applicable.

NOTE: *It is intended that information relating to the Company and/or its material subsidiary or Company's securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.*

Words and expressions capitalized and not defined in this Policy shall have the meanings assigned to them in the Company's '*Code of Conduct for Prohibition of Insider Trading*'.

Functions of a Chief Investor Relations Officer

For the purpose of this Code, the Company's 'Head Investor Relations' is designated and shall serve as the CIRO, who shall be responsible for, and deal with, the dissemination of information¹ and disclosure of UPSI to the external stakeholders. To avoid selective disclosure, the CIRO would be responsible to ensure timely, adequate, uniform, and universal dissemination of information and disclosure of UPSI to the external stakeholders according to this Code as required under the SEBI PIT Regulations.

The CIRO is responsible for educating and is expected to monitor adherence with the guidelines concerning the disclosure of UPSI during interactions with the media and external stakeholders by the Company and its employees and agents who are authorized to engage with the media and external stakeholders.

In the temporary absence of the CIRO for any reason, the Chief Executive Officer ("CEO") of the Company shall nominate any other official of the Company as CIRO to oversee the dissemination of information and disclosure of UPSI according to this Code.

The Compliance Officer shall support the CIRO in submitting the disclosures with the stock exchange(s) where Company's equity shares are listed.

Principles of Fair Disclosure

Disclosure of UPSI on a prompt basis

The CIRO has the responsibility to promptly disclose UPSI that could impact price discovery, ensuring such information is disseminated only when it becomes credible and substantiated.

Information deemed to be UPSI should be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities.

This Code expects the CIRO to adhere to SEBI's stipulated timelines for prior intimations, notices, notifications and disclosures which is imperative for the CIRO regarding timely and compliant UPSI disclosure.

Uniform and universal basis

For the purpose of disclosure, the CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI. When required by this Code or by SEBI PIT Regulations, the CIRO is expected to immediately disclose/disseminate UPSI to the relevant stock exchange(s)/media in the format(s) as deemed necessary so that UPSI is disseminated uniformly and consistently.

The Company shall use its best endeavours to avoid selective disclosure of price sensitive information. In case UPSI gets disclosed selectively, inadvertently, or otherwise, the CIRO shall use his/her best effort to ensure that such information is promptly disseminated to make such information generally available through publication on the website of stock exchange(s).

All UPSI should only be provided on a need-to-know basis. If there is any uncertainty regarding whether the information to be disseminated is UPSI, the CIRO must consult and obtain approval from the Board of the Company or the Chief Executive Officer before proceeding with the disclosure of UPSI.

Responding to queries on news reports and requests for verification of market rumours from regulator(s)

Any news reports and/or market rumours concerning the Company shall be promptly reported to the CIRO. Upon receiving requests from the stock exchange(s) or regulator(s), the CIRO will consult with the

¹ Dissemination of information does not cover dissemination of information occurring in the ordinary course of business and for a Legitimate Purpose.

CEO and/or Compliance Officer to formulate an appropriate and suitable response. All interactions and decisions will be documented comprehensively to the extent possible.

The CIRO shall on the best effort basis ensure that appropriate, fair, and prompt responses are submitted to the stock exchange(s) or regulator(s) in response to all official queries on news reports and/or requests for verification of market rumours received from regulator(s).

In case the query/request has been received from any stock exchange where the Company's equity shares are listed, a copy of such reply shall be sent to other stock exchange also where securities of the Company are listed, if any.

Information sharing with analysts or research personnel

The CIRO must be notified of all scheduled meetings or calls involving analysts or research personnel to prevent the inadvertent disclosure of UPSI.

The Company should ensure that any information shared with analysts and research personnel is not UPSI and is generally available. Alternatively, the information shared with analysts and research personnel shall simultaneously be made public.

All directors and employees of the Company are required to adhere to the following guidelines when interacting with analysts or research personnel:

- ▶ Seek to ensure that no UPSI is shared, and strict confidentiality is maintained during discussions with analysts and research personnel until it is publicly disclosed.
- ▶ Seek guidance from the CIRO if there are uncertainties about the information's sensitivity.
- ▶ Document all interactions and disclosures made during the meetings or calls for transparency and compliance purposes.
- ▶ Before disclosing any UPSI, the CIRO must be consulted in advance. The CIRO will then ensure that any information provided to analysts or research personnel is simultaneously made public upon disclosure.
- ▶ Ensure their use of social media does not compromise the confidentiality of the Company's business information, including the disclosure of UPSI, whether or not inadvertently.
- ▶ Not comment on, adopt, or provide comfort with respect to any financial estimates or projections provided or proposed by analyst or research personnel, including consensus forecast provided by other sources, except to correct any factual inaccuracy in any statement made as to earnings guidance previously provided to the public by the Company.
- ▶ Not attempt to suggest adjustments to any analyst's estimate or projection of the Company's earnings for any period.
- ▶ At such time as the Company issues its earnings release for the prior fiscal quarter, observe a quiet period during which no formal or informal discussions about the Company should take place (e.g., conferences, interviews, third-party training sessions, statements in press releases, etc.). Exceptions to the quiet period may be granted at the discretion of the CIRO in consultation with the General Counsel, based on the need to discuss breaking news or otherwise.

The CIRO is mandated to participate in all analyst and investor relations conferences along with at least one additional employee of the Company. The CIRO is responsible for establishing a formal procedure to create transcripts or records of such meetings and calls with analysts, as well as at investor relations conferences. These transcripts or records must be promptly published on the Company's official website and communicated to the relevant stock exchange(s) where the Company's equity shares are listed.

The CIRO, in consultation with the Chief Executive Officer and/or Compliance Officer, will be responsible for drafting the press release or the content to be posted on the Company's website in response to news, rumours, or in order to disseminate UPSI.

Intimation to the Stock Exchange(s)

The Company is obligated to promptly and continuously disclose all credible and substantiated UPSI to the relevant stock exchange(s) where the Company's equity shares are listed. Additionally, any amendments to this Code will also be promptly communicated to the stock exchange(s).

Handling of UPSI on a need-to-know basis

UPSI shall be handled on a "need to know" basis by creating suitable safeguards to avoid UPSI being available to any person who is not required to have access to such information and be disclosed only to those within the Company who need the information for a Legitimate Purpose to discharge their official duties or for discharge of legal obligations, and subject to Chinese Wall as provided under the Company's '*Code of Conduct for Prohibition of Insider Trading*'.

Determination of Legitimate Purposes

The Policy outlining the determination of Legitimate Purposes is annexed as an **Annexure** and constitutes an integral part of this Code.

Subsequent amendments

The Code has been framed to comply with the applicable provisions of the SEBI PIT Regulations, as on the date of approval of this Code. Any subsequent amendment/modification in the applicable provisions of the SEBI PIT Regulations or any other relevant statute in this regard shall be deemed to be automatically incorporated in this Code.

Review of the Code

The Board reserves its right to amend or modify/revise this Code in whole or in part, at any time deemed necessary without assigning any reason whatsoever. The Board may review the 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.

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

Policy for Determination of Legitimate Purposes ("Policy")

[Pursuant to Regulation 3(2A) of SEBI PIT Regulations]

Objective

In terms of Regulation 3(2A) of the SEBI PIT Regulations, the Board of Directors of a listed company shall make a policy for the determination of "Legitimate Purposes" as a part of "Codes of Fair Disclosure and Conduct".

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such UPSI, if made publicly available may materially impact the market price of the Company and if such person(s) trade on the basis of such UPSI, it could result in an undue advantage to such person(s).

This Policy is prepared with the objective to establish the process for the determination of Legitimate Purposes and the process of sharing UPSI.

Applicability

This Code has been issued with the approval of the Board of PhonePe and shall come into force with effect from the date of filing the offer documents or other documents, as the case may be, with the Securities and Exchange Board of India, Stock Exchange(s) or Registrar of Companies in connection with the listing.

Definition

Words and expressions used in this Annexure shall have the meanings assigned to them in the Company's '*Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information*'.

Process for Determination of Legitimate Purposes

The determination of 'Legitimate Purposes' is a subjective assessment and should be evaluated on a case by case basis. As such, an exhaustive list of the events and circumstances that would always be considered 'legitimate' for sharing UPSI cannot be specified. However, the following factors should be considered:

- ▶ Whether sharing of such UPSI is in the ordinary course of business of the Company;
- ▶ Whether sharing of such UPSI is in the interest of the Company or in furtherance of a genuine commercial purpose;
- ▶ Whether it is possible to share the UPSI in connection with contractual obligations to keep the UPSI confidential and not disclose it;
- ▶ Whether the Company is required to share the UPSI in order to comply with legal, regulatory, judicial, administrative, or investigative processes; and
- ▶ Whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

Also, illustrative examples of sharing UPSI for Legitimate Purposes are as under:

- ▶ Sharing of UPSI in the ordinary course of business by an Insider, inter alia, with employees, Designated Persons, counterparties, partners, collaborators, lenders, borrowers, customers, suppliers, service providers, merchant bankers, market intermediaries, legal advisors, auditors, insolvency professionals or other advisors or consultants, including employees, advisors, or consultants of group companies;
- ▶ Sharing of UPSI where such communication is in the interest of the Company and in furtherance of performance of duties or discharge of legal obligations or part of compliance with applicable laws, regulations, rules, and requirements;

- ▶ Procuring/sharing of information in the ordinary course of business for the purpose of consolidation of accounts;
- ▶ Investigation, inquiry, or request for information as part of any regulatory audit or by statutory or governmental authorities or any other administrative body recognized by law or any other legal proceedings; and
- ▶ Disclosure of financial and non-financial information and documents to the Company's auditors, strictly for the purpose of fulfilling their audit responsibilities and within the scope of their authorized audit engagement.

UPSI provided to another person or entity for a Legitimate Purpose shall not be deemed to be a violation of this Code. If there is uncertainty regarding whether a circumstance qualifies as a Legitimate Purpose, guidance may be sought from the Compliance Officer.

Process for sharing UPSI

- i) The Insider should satisfy himself or herself that the information to be shared is UPSI and that sharing is for a Legitimate Purpose;
- ii) Identify the person with whom the information is to be shared;
- iii) Notify the recipient that UPSI is being shared, by virtue of which the recipient would be deemed to be an Insider, if not already and subject to the provisions of SEBI PIT Regulations and to deal with UPSI strictly on a need-to-know basis and not trade in the securities of the Company while in possession of UPSI, with them and confidentiality/non-disclosure agreements shall be signed or due notice shall be given to maintain confidentiality to all such persons;
- iv) Make an entry in the SDD before sharing the UPSI; and
- v) Mode of sharing UPSI shall be either by an email (addressed directly to the Insider without marking any copies) or hard copy or any other electronic mode or device or provide access to the information, data and server with acknowledgement.

Structured Digital Database ("SDD")

- i) A SDD in the format as prescribed under the SEBI PIT Regulations shall be required to be maintained and prior entry² will be required to be made in the SDD by containing the following information:
 - ▶ the nature of UPSI being shared;
 - ▶ the names of such persons who have shared the information;
 - ▶ the names of such persons with whom information is shared for Legitimate Purposes along with the permanent account number or any other identifier authorized by law where permanent account number is not available; and
 - ▶ such other details as may be made necessary for making an entry in the SDD.
- ii) This database shall be kept confidential and shall not be outsourced.
- iii) The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- iv) The SDD should be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the SDD shall be preserved till the completion of such proceedings.

² Entry of information, not emanating from within PhonePe, in SDD may be done not later than 2 calendar days from the receipt of such information.