

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Latest Review/Amendment Date

Date	Review/ Amendments	Reviewed/ Amendment Approved By
24.7.2023	Amend	Board of Directors

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

{In terms of Regulation 17(5) of SEBI (LODR) Regulations, 2015}

Ø Purpose

It firmly believes that good Corporate Governance is the foundation of corporate excellence. It focuses on equitable treatment of all shareholders and reinforces that it is “your company” and it belongs to you, the shareholders.

The Directors and Senior Management Personnel of Paisalo Digital Limited (hereinafter referred to as—Company) are expected to read and understand the Code of Conduct and uphold these standards in their day-to-day activities, comply with all applicable policies and ensure compliance.

The code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors and Senior Management Personnel and to develop a culture of honesty and accountability. This code shall serve as a guide to the Directors and Senior Management Personnel of the Company on the principles of integrity, transparency, business ethics and to set up standards for compliance of Corporate Governance.

Ø APPLICABILITY

The Code applies to the following personnel: Board Members (whether Whole Time Directors Independent and Nominee Directors), Senior Management Personnel of the Company.

Ø DEFINITIONS

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

“**Board/Directors**” shall mean the Board of Directors of the Company. “**Company**” shall mean Paisalo Digital Limited.

“**Conflict of Interest**” means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company, **which shall includes to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.**

“**Executive Directors/Whole Time Directors**” shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

“**Independent Directors**” shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

“**Senior Management**” shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case

they are not part of the Board) and shall specifically include company secretary and chief financial officer.

"Non-Executive Directors" shall mean the Directors who are not in whole time employment of the Company.

All other words, terms and expressions used but not defined in this policy, shall have the same meaning as respectively assigned to them in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 or rules and regulations made thereunder, or any statutory modification or re-enactment thereto, as the case may be.

Ø **Compliance with Laws, Rules, Regulations**

The Directors and Senior Management Personnel shall act in the best interest of the Company.

The Directors and Senior Management Personnel are also expected to:

- a) comply with all applicable laws, regulations, obligations and other corporate policies, of the Company;
- b) follow all policies, procedures and internal control systems of the Company;
- c) act honestly, in good faith and in the best interests of the Company.

Ø **Ethical Conduct**

The Directors and Senior Management Personnel of the Company shall conduct their activities on behalf of the Company and on their own behalf, with honesty, integrity and fairness. The Directors and Senior Management Personnel of the Company will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgment to be subordinated. The Directors and Senior Management Personnel of the Company will act in the best interests of the Company and fulfil the fiduciary obligations.

Ø **Conflict of Interest**

The Directors and Senior Management Personnel of the Company should not enter into any transaction or engage in any practice, directly or indirectly, that would tend to influence them to act in any manner other than in the best interests of the Company. Every Director and Senior Management Personnel should make a full disclosure to the Board of any transaction that they reasonably expect, could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions.

No employee including key managerial personnel or director or promoter of the Company shall enter into any agreement for himself /herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution. **All interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.**

Ø Confidentiality

Information relating to any client or activities of the Company is strictly confidential and shall not be disclosed orally or in writing or electronically, directly or indirectly to anyone unless the Directors/ Senior Management Personnel have been specifically authorized to release this information.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any Director/Senior Management. These obligations apply not only during a Director's term, but thereafter as well unless the said information becomes public.

Ø Insider Trading

The Board Members and Senior Management Personnel shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of the Company and shall abide by rules, regulations made thereunder.

Directors/ Senior Management personnel shall not deal in the securities of a Company either on their own account or their relative's account if they are in possession of any unpublished price sensitive information concerning the Company. Neither of the Directors or the Senior Management Personnel shall derive any benefit nor assist others to derive benefit by giving investment advice from access to and possession of information about the Company, which is not in public domain and constitutes insider information.

Ø Fair dealing

The Directors and Senior Management Personnel should endeavour to deal fairly and not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

Ø Gift/ Favours

Directors/ Senior Management Personnel shall not accept any gift, favour or invitation offered by any client, person or organization with whom the Company has any business relationship that creates a conflict between the individual's personal interest and the interest of the Company.

Directors and Senior Management Personnel shall not accept any such gift, favour or invitation except those, which are extended as a customary courtesy of business life.

Ø Protecting Company Assets

Every Director and Senior Management Personnel should endeavour to ensure that they use the Company's assets, proprietary information and resources only for the legitimate business purposes of the Company and not for their personal gains.

The assets of the Company shall not be misused, but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets

such as equipment and machinery, systems, facilities, materials, resources as well as tangible assets such as proprietary information.

Ø **Opportunity and information**

Directors and Senior Management Personnel owe a duty to the Company to expand and diversify the Company's business. Directors and Senior Management Personnel shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors in case of Board Members and the Chairman & Managing Director (CMD) in case of Senior Management Personnel and the Board/CMD declines to pursue such opportunity for the Company and allow him to avail such opportunity.

Ø **False or misleading statements**

Directors and Senior Management Personnel shall not make a statement or disseminate any information, which is misleading or false and is likely to induce sale or purchase of securities by any other person or is likely to have the effect of influencing the market price of the securities.

Ø **Dealing with people in the organisation**

The Company will focus on meritocracy, equity and upholding Company values in the people process including performance management systems, appraisals, remuneration and rewards. The Directors and Senior Management Personnel shall uphold the values of trust, teamwork, mutuality and collaboration, meritocracy, objectives, self-respect and human dignity while dealing with people within the organisation. The Directors and Senior Management shall practice and encourage the spirit of productive discussion among the employee and with the Board as the situation may warrant.

Ø **Code for Independent Directors**

The Independent Directors will also comply with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013 in addition to this code for Directors and Senior Management Personnel.

Ø **Maintenance of accurate books and records**

Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of India. Every business transaction undertaken by the Company must be recorded in its books accurately and in a timely manner. There shall be no wilful omissions of any transactions of the Company from the books and records.

Ø **Other Duties of Directors and Senior Management Personnel**

The Directors and Senior Management Personnel:

- shall at all time make an endeavour to attend such meetings/occasions including Board and Committee meetings as are required for the benefit, growth and development of the Company.

- shall dedicate sufficient time, energy and attention to the Company to ensure diligent performance and be aware of and seek to fulfil his/her duties and responsibilities as set forth on the Company's Memorandum & Articles of Association and Corporate Governance Guidelines.
- shall not knowingly suppress a material fact, which can be detrimental to the interest of the Company, from the appropriate authority/body.
- shall not make any statement, verify any return or form, containing any particulars, knowing it to be false.
- shall promptly disclose about the directorships held in other companies and committee's positions he or she occupies in other companies and notify the changes as and when they take place. (Directors)
- shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.
- 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 his 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 his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- shall not assign his office and any assignment so made shall be void.
- shall keep themselves well informed about the Company and the external environment in which it is operates.
- shall 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.
- shall act within his authority, assist in protecting the legitimate interest of the Company, its shareholders and employees.
- shall not disclose confidential information, including commercial secrets, technologies, advertising and sale promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

- should make all efforts to establish cordial relationship with all stakeholders of the Company with whom they interface while carrying out their duties for the Company and must try to make positive contributions to communities in which they perform such duties.

Ø Encouraging the Reporting of Illegal and Unethical Behaviour

The Company endeavours to ensure that it:

- encourage Employees to talk to their superiors and other appropriate personnel when in doubt about the best course of action in a particular situation.
- encourage Employees to report violation of laws, rules, regulation or the Company's code of Conduct to appropriate personnel.
- assure Employees that the Company will not allow retaliation for reports made in good faith.

Ø Monitoring Compliance

Each Director and Employee of the Company is expected to monitor his/her personal compliance with code.

Ø Non-Compliance

Suspected violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations shall be appropriately investigated. Any waiver of this code must be approved by the Board of Directors and publicly disclosed if required by any applicable law or regulation.

Ø Compliance with the Code

- (a) The Code does not specifically address every potential form of unacceptable conduct and it is expected that the Directors/ Senior Management Personnel will exercise good judgment in compliance with the principles set out in the Code. Directors and the Senior Management Personnel have a duty to avoid any circumstances that would violate the letter or spirit of the Code.
- (b) In case of any doubt as to the course of action to be taken, it may be considered as to whether the action would be legal, ethical or it would cause a negative perception of the Company.
- (c) All Directors and Senior Management Personnel shall affirm compliance with the Code on an annual basis, within 30 days of close of every financial year to the Company.

Ø Amendment

The provisions of this Code can be amended/ modified by the Board from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

Ø **Compliance Officer**

The Company Secretary shall act as a Compliance Officer and shall monitor compliances with the Chairman and Managing Director of the Company

Ø **Disclosure**

Pursuant to Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Code and any amendments thereto shall be posted on the website of the Company.