CODE OF CONDUCT FOR THE BOARD OF DIRECTORS

Document History

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Philosophy of the Code

This Code of Conduct ("the Code") aims to maintain the standards of business conduct of NPCI BHIM Services Limited (the Company or NBSL) and is designed to be a deterrence against misconduct and promote among other things (a) honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships (b) full, fair, timely and accurate disclosure in reports and documents (c) compliance with applicable laws, rules and regulations (d) prompt internal reporting of the violations of this Code and (e) accountability for adherence to this Code. All Directors are expected to read and understand this Code and uphold these standards.

1. Preamble

1.1 The Code for all the members of the Board of Directors of NBSL is in alignment with the Company's vision and values and aims to enhance ethical and transparent processes in managing the affairs of the Company. This Code of Conduct intends to ensure adherence to the highest business and ethical standards while conducting the business of NBSL and compliance with all the legal and regulatory requirements.

2. Definitions and Interpretation

2.1 Definitions

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

The Board or Board of Directors means the Board of Directors of the Company;

Conflict of Interest means a conflict or a competition or a contradiction between the interests or benefits of one person, a group of persons or entity or entities with that of the Company;

Director means an individual member of the Board;

Governmental Authority means the government of any nation, state, city, locality or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertain to the government;

Order means any judgment, injunction, writ, award, decree or order of any nature of any Governmental Authority or competent court or tribunal;

Relative shall have the meaning given to it under the Companies Act, 2013, as amended, from time to time;

2.2 Interpretation

(a) Terms used but not defined herein shall have the meaning assigned to them in the Companies Act, 2013 ("the Act") and/or Memorandum and Articles of Association of NBSL, each as amended from time to time.

(b) This Code can be modified, amended or altered only by the Board of Directors of the Company.

(c) Unless the context otherwise requires, all words (whether gender specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.

3. Applicability

This Code shall be applicable to all the Directors of the Board. Every Director is expected to read, understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in the performance of his/her duties, functions and responsibilities.

4. Duties and responsibilities

Each Director shall always act in the best interests of the Company and in accordance with the authority conferred upon him/ her and shall, without prejudice to the foregoing, always:

a) keep himself/herself informed about the business, activities and financial status of the Company to the extent of information disclosed to him/her;

b) attend Board and Committee meetings (as and when constituted) regularly and participate in the deliberations and discussions effectively.

c) involve actively as a Director on the Board thoroughly in the matter of formulation of general policies and gain assurance that performance of the Company is monitored adequately by the Board on the premise of the information disclosed to the Board.

d) be familiar with the broad objectives of the Company and the various laws and legislations applicable to its functioning.

e) ensure confidentiality of the Company's agenda papers, notes or any other information disclosed at the Board/ Board level committee meetings or in any other meetings or form of communication which he/she is privy to.

f) bring independent judgment to bear on all matters that have an impact on the Company which are brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures and standards of conduct;

g) in exercise of his/her judgment in matters brought before the Board or entrusted to him/her by the Board be free from any business or other relationship which could materially interfere with the exercise of his/her independent judgment.

h) express his/her views and opinions at Board/ Committee meetings without any fear, favour or prejudice and without any influence on exercise of his/her independent judgment.

i) gain assurance that the business practices of the Company would always be fair and transparent.

j) act with the utmost care, skill, diligence and integrity;

k) act with the utmost good faith and fulfill his/her fiduciary obligations without allowing his/her independence of judgment to be compromised;

l) make disclosures to the Board in relation to all material financial and commercial transactions where he/she has a personal interest that could conflict with the interest of the Company.

m) without the prior approval of the Board of Directors and in accordance with law, abstain from entering into business with any of the following in his/her official capacity:

(i) a relative;

(ii) a private limited company in which he/she or his/her relative is a member or a director;

(iii) a public limited company in which he/she or his/her relative holds 2% or more paid-up share capital of such company; or

(iv) a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter , manager, Managing Director & Chief Executive Officer of that body corporate or

(v) with a firm or other entity in which he/she or his/her relative is a partner, owner or member.

n) avoid acquiring any personal or financial interest in any business dealings concerning the Company;

o) abstain from exploiting, for his/her own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors and the Board declines to pursue such opportunity and allow him/her to avail such opportunity;

p) abstain from seeking or accepting, directly or indirectly, any gift amounting to Rs. 5,000/- (Rupees Five Thousand only) or more, in relation to his/her business dealings/association with the Company;

q) abstain from making any adverse criticism of any policy or action of Government of India or any other Government Authority or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders; and

r) abstain from committing any offence involving moral turpitude.

Provided that nothing in this clause (4) shall apply to any statement made or views expressed by a Director which are purely factual in nature and are not considered as confidential, in his/her official capacity or in due performance of the duties assigned to him/her in good faith or in execution of any Order of any Government Authority.

s) adhere to the duties prescribed under the Act.

5. Compliance with laws

Each Director shall ensure compliance with all laws, rules and regulations applicable to the business of the Company to the best of his/her capacity.

6. Other Directorships

6.1 Unless specifically permitted by the Board of Directors of the Company, any Director shall not serve as a director of any other company or as a partner of a firm that is engaged in a business activities that competes with the business activities of the Company or that of an entity with which the Company has a business relationship.

6.2 The restriction as stated in Clause 6.1 shall not apply to:

(a) joint venture companies with management control vested in the Company; or

(b) subsidiary companies or Associate Companies; or

(c) the directorships in banks or RBI regulated entities, provided they are disclosed to the Board of Directors at the time of their appointment on the Board of the Company or as and when they acquire such positions, necessary disclosure must be made at the immediately succeeding meeting; or

(d) when such directorship/ association was held prior to their joining the Company as Director, and their appointment has been made with full knowledge of their such association.

7. Related Party disclosures

Each Director shall make complete disclosure of all the transactions in which he/she is interested, whether directly or indirectly, to the Board of Directors in accordance with applicable provisions of the Companies Act, 2013 and rules prescribed thereunder from time to time.

8. Confidentiality of information

Any information concerning the Company's business or activity to which a Director has access or which is in his/her possession in discharge of his/her official position, must be considered confidential and held in confidence. No Director shall provide any information either formally or informally, to the press or any other media or competitors or agencies, unless specifically authorized by the Company, prior to such disclosure. Provided that a Director can disclose such information which is:

(a) in the public domain at the time of disclosure; or

(b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or

(c) required to be disclosed in accordance with applicable laws, rules, regulations, order, guidelines, or directions from the Government of India or any other Governmental/Statutory Authority including court of competent jurisdiction.

To further the Company's business, confidential information may have to be disclosed to potential business partners. Such disclosures should be made after considering its potential benefits and risks at Board level. Care should be taken to divulge the sensitive information, only after the said potential business partner has signed a confidentiality agreement with the Company.

Any publication or publicly made statement that might be perceived or construed as attributable to NBSL, made outside the scope of any appropriate authority in NBSL, should include a disclaimer that the publication or statement represents the views of the specific author and are made in his/her personal capacity and not of NBSL.

9. Protection of assets

The Directors shall protect or ensure protection of the Company's assets including physical assets, information and intellectual property rights and shall not use the same for personal gain.

10. Amendments to the Code

The provisions of this Code can be amended or modified by the Board of Directors of the Company from time to time and all such amendments or modifications shall take effect from the date stated therein.

Any waiver of any provision of this Code of Conduct for a member of the Company's Board of Directors must be approved in writing by the Board of Directors of the Company, with reasons thereof.

The Code of Conduct will be effective from the date of approval and review of the same will be

performed annually. The amendments, if any, shall be approved by the Board of Directors.

11. Placement of the Code on website

This Code (including any amendment thereto) shall be posted on the website of the Company's website.

12. Annual Compliance reporting

12.1 All Directors shall affirm compliance with this Code within 30 days of the close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director & Chief Executive Officer of the Company. The format of the Annual Compliance Report to be submitted by each director is set out in **Appendix I**.

12.2 The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director leaves the Company any time during a financial year, he/she shall send communication to the Company Secretary affirming compliance of the Code till the date of his/her association with the Company.

12.3 Managing Director & Chief Executive Officer and the Chief Financial Officer of the Company shall certify to the Board on an annual basis, that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the preceding financial year which are fraudulent, illegal or in violation of the Code.

13. Enforcement of Code of Conduct

Each Director shall be accountable for fully complying with this Code.

14. Consequences of non-compliance of the Code

Any Director who violates the Code will be subject to disciplinary action as the Board may deem fit, depending upon the nature and gravity of such violation(s) on provision of an opportunity of being heard after making him or her aware of such violations alleged against him/her.

15. Acknowledgement of receipt of the Code

Each Director shall acknowledge the receipt of this Code or any modifications thereto, in an acknowledgement form substantially similar to that in **Appendix-II** and shall forward the same to the Company Secretary indicating that he/she has received, read, understood and agreed to comply with this Code.

Appendix I

ANNUAL COMPLIANCE REPORT

I, ……., do hereby solemnly affirm that to the best of my knowledge and belief, I have understood and fully complied with the provisions of the CODE OF CONDUCT FOR DIRECTORS during the financial year ending 31st March 20…. .

Signature :……

Name:……

Designation: ……

Date :……

Place :……

Note: To be submitted by 30th April each year

Appendix II

ACKNOWLEDGEMENTFORM

I, ……., have received and read the CODE OF CONDUCT FOR DIRECTORS (the ***Code***). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature:……

Name:……

Designation:…..……

Date:…..…… Place:..……