

SECURED DIGITAL APPLICATIONS, INC.

Code of Conduct for Purchases and Sales of Company Securities

1.0 Introduction

This Code of Conduct for Prevention of Insider Trading has been adopted by the Board of Directors of Secured Digital Applications, Inc. (SDA) to ensure to greatest degree possible the integrity in the public and private markets for SDA's securities and compliance with all applicable laws and regulations. SDA requires that all directors, officers, employees and consultants adhere to this Code of Conduct.

- 1.1 Incentive awards of stock, or options convertible into stock, are made by SDA in order that the recipient will hold such securities for investment only and not with a view to distribution to the public. Except as set forth below, SDA has no requirement for holding the securities of SDA and encourages all Directors, Officers and Employees to exercise prudence in their savings and investments, including the diversification of holdings. Shares of SDA's stock may be purchased or sold only as permitted by applicable law and this Code of Conduct.
- 1.2 "Trading" in SDA's stock is inappropriate, however, and excessive purchases and sales (including open market transactions) will not be permitted, even if such purchases and sales are otherwise permitted by applicable law or this Code of Conduct. SDA may take such steps as it deems necessary to protect SDA in the event that a person covered by this Code of Conduct has engaged in purchases and sales that management deems excessive, including discipline, termination or refusal to authorize further purchases or sale.
- 1.3 Failure to comply with this Code of Conduct or any applicable law, regulation or filing requirement is grounds for discipline or termination.

2.0 Compliance Officer

- 2.1 The Compliance Officer shall be responsible for the implementation and enforcement of this Code of Conduct and report to the Chairman/Chief Executive Officer of the Company. Valerie Looi, Director/Corporate Secretary is the Compliance Officer.
- 2.2 The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of SDA.

For the purpose of this schedule, the term 'designated employee' shall include :-

- (i) officers comprising the top three tiers of SDA's management and all employees in the finance department.
 - (ii) the directors of the company, including independent directors;
 - (iii) the employees designated by SDA to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.
 - (iv) Any other person, including consultants, who in the Compliance Officer's judgment may be deemed "insiders" or "affiliates" under applicable law.
- 2.3 The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- 2.4 It is the responsibility of each designated employee to comply with all applicable laws, regulations and filing requirements. The Compliance Officer shall assist all the employees in addressing any clarifications regarding the requirements of applicable law and the company's Code of Conduct, when possible. SDA does not, however, undertake to provide legal advice to designated employees.
- 2.5 The Compliance Officer shall refer any transaction that may not comply with applicable law or this Code of Conduct to the CEO or other person designated by the CEO for appropriate investigation and discipline, when appropriate.

3.0 Preservation of "Material Non-Public " Information

- 3.1 Designated Employees shall maintain the confidentiality of all Material Non-Public Information. Material information is any information that a reasonable investor would consider in making a decision to purchase or sell a security. Designated Employees shall not disclose Material Non-Public Information to any person directly or indirectly. United States securities regulations prohibits certain selective disclosure of financial information concerning the Company. Accordingly, all information that concerns the company's operations and that may affect the market of the SDA's securities may be disclosed only by senior management as may be required applicable law and regulations.
- 3.2 Non-public information is to be handled on a "need to know" basis, i.e. such information should be disclosed only to those within the company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information directly received by any employee should immediately be reported to the head of the department.

- 3.3 Files containing Material Non-Public Information shall be kept secure. Computer files must have adequate security, including reasonable password protection. Any person who becomes aware that confidential information is not maintained in a secure fashion shall inform the Compliance Officer.

4.0 Prevention of misuse of "Material Non-Public" Information

4.1 All Designated Employees of the company shall be subject to trading restrictions as enumerated below. These trading restrictions are in addition to such restrictions that may be required by law or regulation.

4.2 Trading window

4.2.1 SDA shall specify a trading period, to be called the "Trading Window", for trading in the company's securities. The trading window shall be closed during the time the information referred to in para 3.2.3 is unpublished.

4.2.2 When the trading window is closed, all Designated Employees of SDA shall not trade in SDA's securities in such period.

4.2.3 The trading window shall be, inter alia, closed at the time of :-

- a. Declaration of Financial results (quarterly, half-yearly and annual)
- b. Declaration of dividends (interim and final)
- c. Issue of securities by way of public/ rights/bonus etc.
- d. Any major expansion plans or execution of new projects
- e. Amalgamation, mergers, takeovers and buy-back;
- f. Disposal of whole or substantially whole of the undertaking, and
- g. At any other time that, in the judgment of SDA, circumstances are such that the trading window should be closed.

4.2.4 The trading window shall be opened 24 hours after the information referred to in para 4.2.3 is made public.

4.2.5 All Designated Employees of SDA shall conduct all their dealings in the securities of SDA only in a valid trading window and shall not deal in any transaction involving the purchase or sale of SDA's securities during the periods when trading window is closed, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.

4.2.6 In case of Employee Stock Ownership Plans ("ESOP"), exercise of options may be allowed in the period when the trading window is closed. However, sale of allotted ESOP shares shall not be allowed when the trading window is closed.

5.0 Pre-clearance of trades

5.1 All Designated Employees of SDA who intend to purchase or sell the securities of the Company of more than 500 shares or greater than US \$10,000 in market value are required to pre-clear the transactions as per the procedure described hereunder.

5.2 An application must be made in the form required by SDA to the Compliance Officer indicating the estimated number of securities that the Designated Employee intends to purchase or sell, the details as to the depository with which

he has a security account, the details as to the securities in such depository mode and such other details as SDA may require.

5.3 An undertaking shall be executed in favor of SDA by such Designated Employee incorporating, inter alia, the following clauses, as may be applicable:

- a. That the Designated Employee does not have any access or has not received "Material Non-Public Information" up to the time of signing the undertaking.
- b. That in the event that the Designated Employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of SDA till the time such information becomes public.
- c. That he/she has not contravened the Code of Conduct for Purchases and Sales of Company Securities as adopted and amended from time to time.
- d. That he/she has made a full and true disclosure in the matter.
- e. That he/she has complied and will comply with all requirements of applicable law, including but not limited to the filings required by Securities Exchange Commission Rule 144 and Sections 10 and 16 of the Securities Exchange Act of 1934.

5.4. All Designated Employees shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the employee/director must pre-clear the transaction again.

5.5. All Designated Employees shall hold securities purchased in the public markets for a minimum period of 30 days. The Compliance Officer may consider exemptions from this provision on a case-by-case basis. The holding period shall also apply to subscription in the primary market (IPOs), unless a longer period is required by applicable law or the terms of the offering. In the case of IPOs, the holding period would commence when the securities are actually allotted.

5.6. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard.

6.0 Control Persons, Affiliates and Restricted Securities

6.1 SDA has issued from time-to-time unregistered securities, generally in private placements. In addition, persons who own more than ten (10) percent of the outstanding common stock of SDA, officers, directors and employees or consultants involved in policy-making decisions are deemed to be affiliates under the securities laws of the United States. Securities that have not been registered pursuant to the Securities Act of 1933 or which is owned by an affiliated is subject to restrictions on its resale ("Restricted Securities"). The Company has

adopted the following provisions of this Code to prevent the resale of Restricted Securities in the public markets.

- 6.2 The Compliance Officer shall compile and maintain a list of those persons who are to be considered “affiliates” under Section 2(11) of the Securities Act of 1933. The Compliance Officer shall compile and maintain a list of those persons hold Restricted Securities as the result of the purchase or award of unregistered stock, options or other securities issued by SDA.
- 6.3 No person who is an affiliate of SDA may hold shares purchased in the public market in a “street name.” Any affiliate making such a purchase of publicly traded shares shall request the issuance of certificates for such shares at the time of the transaction; provided, however, that purchases made in the public market within the same week may be aggregated together on a single certificate. Any affiliated person holding shares of SDA at the time of the adoption of this Code of Conduct shall request the issuance of share certificates within seven days of its adoption. No affiliated person may at any time sell shares held in a street name in the public markets.
- 6.4 The Compliance Officer shall ensure that SDA’s transfer agent is instructed to issue certificates bearing the appropriate legends designating such securities as restricted and to issue stop-transfer orders on all Restricted Securities.
- 6.5 The Compliance Officer shall not permit the transfer of Restricted Securities unless a) the requirements of SEC Rule 144 are met or b) the transferor delivers a legal opinion in satisfactory form that the proposed transaction is otherwise exempt from registration. The Compliance Officer may require that the transferor hold harmless and indemnify SDA and provide adequate security such as an undertaking.
- 6.6 No person subject to this Code of Conduct may seek to circumvent the provisions of this section or the registration requirements of applicable law.

7.0 Reporting Requirements for transactions in securities

- 7.1 Designated Employees shall provide the following details of their securities transactions, which includes the transactions of dependent family members (as defined by the company) to the Compliance Officer:
 - a. all holdings in securities of SDA at the time of joining SDA;
 - b. a periodic statement of any transactions in securities (the periodicity of reporting may be defined by SDA. SDA may also be free to decide whether reporting is required for trades where pre-clearance is also required); and
 - c. an annual statement of all holdings in SDA’s securities
- 7.2 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Designated Employees for a minimum period of three years.

7.3 The Compliance Officer will report to the Chief Executive Officer or a committee specified by the Board of Directors, on a monthly basis all the details of the dealing in the securities by Designated Employees and will provide the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

8.0 Penalty for contravention of Code of Conduct

8.1 Any employee/officer/director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalized and appropriate action may be taken by SDA.

8.2 Employees/officers/directors of SDA who violate applicable law or the Code of Conduct shall also be subject to disciplinary action by SDA, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

8.3 The action by SDA does not preclude SEC from taking any action in any case in which an applicable law or regulation has been violated.

8.4. SDA may voluntarily provide any information contained in its files to the SEC in the event that it has reason to believe that a violation of applicable laws or regulations may have occurred.

8.5 SDA or the Compliance Officer has reason to believe that there may have been a violation of any applicable requirement of law of that any person may have engaged in unlawful conduct, SDA may, in its judgment, advise the SEC.

9.0 Duty to file Appropriate Forms.

9.1 All Designated Employees of SDA shall timely file the forms required by the Securities and Exchange Commission or any other regulatory body with jurisdiction over SDA. These include, but are not limited to:

a. Form 3 (Initial Statement of Beneficial Ownership of Securities) Form 4 (Statement of Changes in Beneficial Ownership) and Form 5 (Annual Report of Beneficial Ownership) pursuant to Section 16 of the Securities and Exchange Act of 1934. A copy of Form 4 shall be provided to the Compliance Officer within two (2) business days from date of the transaction. In the case of Form 3, a copy shall be provided to the Compliance Officer on the same day when it is filed with the SEC. A copy of Form 5, when applicable, shall be provided to the Compliance Officer on the same day it is filed with the SEC.

b. Form 144 (Notice of Proposed Sale Pursuant to Rule 144). A copy of Form 144 shall be provided to the Compliance Officer on the same day when it is filed.