

MSE FINANCIAL SERVICES LTD.

POLICY ON INSIDER TRADING

Compliance Officer

MSE Financial Services Ltd. (MSEFSL) has appointed Compliance Officer, who is responsible in formulating policies and procedures and monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of all directors/employees and their dependents trades, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of Directors.

For the purpose of this code, the term "Insider" shall mean :

- a. Directors
- b. Employees in top Management and key employees
- c. Employees as may be designated by the company from time to time
- d. Spouse, son, daughter, father, mother and dependants, if any, of the persons referred to in a, b & c above.

Access to Price Sensitive Information

Employees to maintain confidentiality of Price Sensitive information, if any, and do not pass on such information directly or indirectly by way of making a recommendation for the purchase [or] sale of securities.

Price Sensitive Information will be disclosed only to those within the organization who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. The employees of the organization do not communicate any Price Sensitive Information to any one in public area.

Files containing confidential information will be strictly secured and soft copies have access login and password, under the direct supervision of the Compliance Officer.

Prior approval for trading

All directors/officers/employees of MSEFSL who intend to deal in the securities of any company, aggregating either 1000 in quantity or Rs.1 lakh in value, to obtain prior approval for such trades from the Compliance Officer, as per the pre-dealing procedure explained hereunder

A written request will be made to the Compliance Officer indicating the name and estimated number of securities that the employees/directors intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and any other relevant details as may be required in this behalf.

Other restrictions

All directors/employees of MSEFSL shall execute their order within one week after the approval of pre-clearance is given. If the order is not executed within one week after approval is given, the employee/director must pre-clear the transaction again.

All directors/officers/employees will hold their investments for a minimum period of 30 days in order to be considered as being held for investment purposes.

The holding period shall also apply to purchases in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

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.

Reporting Requirements for transactions in securities

All directors/employees of the organisation shall be required to forward following details of their securities transactions including the statement of dependent family members to the Compliance Officer:—

- (a) all holdings in securities by directors/officers/employees at the time of joining the organisation;

(b) Quarterly statement of transactions in securities

The Compliance Officer shall maintain records of all the declarations given by the directors/employees in the prescribed format for a minimum period of three years.

The Compliance Officer shall place before the Board of Directors, on a quarterly basis, all details of the dealing in securities by employees/directors of MSEFSL and the accompanying documents that such persons had executed under the pre-approval procedure as detailed in this code.

Penalty for contravention of code of conduct

Any employee/director who trades in securities or communicates any information or counsels any person trading in securities, in contravention of the code of conduct, will be penalised and appropriate action will be taken by the Compliance Officer / Board of Directors of MSE FSL. Employees/directors of MSEFSL who violate the code of conduct will also be subject to disciplinary action by the company, which includes wage freeze, suspension, etc.

The action if any taken by MSEFSL will not preclude SEBI from taking any action, in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations

In case it is observed by the compliance officer that there has been a violation of these Regulations, SEBI will be informed by the Compliance Officer.