



EXECUTIVE BOARD

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INFORMATION FOR CLIENTS

**on Investment and Ancillary Services of the Brokerage and Dealer Department
of ALTA Bank a.d. Belgrade**

Belgrade, September 2024



Information for clients on Investment and Ancillary Services of the Brokerage and Dealer Department of ALTA Bank a.d. Belgrade

Based on Article 179 of the Law on the Capital Market ("Official Gazette of the Republic of Serbia," No. 129/2021), Articles 11-26 of the Rulebook on Rules of Conduct for Investment Firms when Providing Services, and Article 33, Paragraph 3, Item 14 of the Articles of Association of ALTA Bank a.d. Belgrade (consolidated text) dated May 20, 2024, the Executive Board of ALTA Bank a.d. Belgrade, at its 112th session held on September 2, 2024, adopted the following:

INFORMATION FOR CLIENTS

on Investment and Ancillary Services of the Brokerage and Dealer Department of ALTA Bank a.d. Belgrade

BANK INFORMATION

Name: ALTA Bank a.d. Belgrade – Brokerage and Dealer Department (hereinafter: the Bank)

Registration Number: 07074433

Tax Identification Number (TIN): 100001829

Address: Bulevar Zorana Đinđića 121, 11070 Novi Beograd

Website: www.altabanka.rs

Contact Numbers:

Email: broker@altabanka.rs

Business Hours: 09:00–16:00

License Number and Date of Issuance

Decision of the Securities Commission No. 2/1-102-1986/15-24, dated October 3, 2024.

Name of Licensing Authority: Securities Commission of the Republic of Serbia (hereinafter: SC)

Address of Licensing Authority: Omladinskih Brigada 1, Belgrade

Date of Membership in the Central Securities Depository: October 8, 2024

Date of Membership in the Belgrade Stock Exchange: December 10, 2024

INFORMATION ON SERVICES PROVIDED BY THE BANK

The types of services the Bank performs based on the SC license for providing investment services and activities include:

- Reception and transmission of orders related to one or more financial instruments.
- Execution of orders on behalf of clients.
- Trading on own account.
- Portfolio management.
- Investment advice.
- Execution of public offerings of financial instruments without an obligation to purchase.



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Additionally, the Bank provides ancillary services, including:

- Safekeeping and administration of financial instruments for client accounts (custody services) and related services, such as cash collateral administration, excluding the maintenance and operation of securities accounts under Chapter XIV of the Capital Market Law.
- Granting loans or credits to investors for transactions involving one or more financial instruments, where the firm granting the loan or credit is involved in the transactions.
- Advising companies on capital structure, business strategy, mergers, acquisitions, and similar matters.
- Foreign currency exchange services related to the provision of investment services.
- Research and financial analysis or other general recommendations concerning transactions with financial instruments.

COMMUNICATION WITH CLIENTS

The Bank communicates with clients verbally and in writing in the Serbian language. Upon the client's request, documentation may also be prepared in English; however, in the case of discrepancies between versions, the Serbian version shall prevail. Communication is conducted in the manner most convenient for the client, by the agreement reached at the initiation of the collaboration. Clients have the right to request changes to contact information or the method of communication in writing.

The Bank may record or otherwise document communication with clients, subject to prior notification to the client. Written communication may be conducted via mail, email, internet applications, or other suitable electronic formats. The Bank will exchange documentation related to the services, activities, or ancillary services agreed upon with the client at the address and/or email address provided by the client or specified in the Agreement.

Clients must inform the Bank of any changes to essential information necessary for the uninterrupted functioning of agreed communication or information relevant to notifications and the execution of the Bank's obligations when providing investment and ancillary services. The Bank publishes its contact information on its website, www.altabanka.rs. All information, including marketing materials, sent by the Bank to existing and potential clients must be truthful, clear, and not misleading, while marketing materials must be explicitly marked. Information is available on the website www.altabanka.rs and can also be provided to clients in other ways upon their request.

METHODS OF ORDER SUBMISSION

The Bank may receive client orders through the following channels:



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- In written form (direct submission).
- Electronically, via an application.
- By email (with the mandatory delivery of the original order).
- By telephone.
- Using other secure electronic services (e.g., SWIFT, Bloomberg, Reuters).

Clients may personally submit orders at the Bank's headquarters or authorized branches. Orders are submitted by signing a standardized form. The Bank accepts an order provided that the client's information matches the data from the previous identification process. If discrepancies exist, the Bank will not accept the order until the client provides appropriate documentation to verify their identity in line with the changes.

For orders sent electronically, clients must adhere to the user manual for the Alta Trader application, available on the website www.altabanka.rs.

The Bank reserves the right to decline agreeing to the use of the application without the obligation to disclose the reasons for rejection to the client. Telephone numbers for order submission are published on the website www.altabanka.rs

When receiving orders via telephone, the Bank ensures reliable recording and storage of calls, accurate time stamping of order receipt, identification of the phone number from which the order is submitted, and identification of the client submitting the order.

The Bank may agree to the provision of investment or ancillary services with another investment firm on behalf of the client.

CLIENT ASSET PROTECTION

The Bank is obligated to:

- Maintain records and accounts that enable the clear segregation of each client's assets from those of other clients and the Bank's assets.
- Keep accurate records and accounts, particularly regarding clients' financial instruments and funds, ensuring they are available for audit.
- Regularly reconcile internal accounts and records with the accounts and records of third parties holding the assets.
- Take necessary measures to ensure the distinction between clients' financial instruments deposited with a third party and the Bank's instruments, as well as those of the third party, through separate accounts or other appropriate measures.
- Ensure that client funds deposited with central banks, credit institutions, or foreign banks are held in accounts separate from the Bank's funds.



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- Establish an appropriate organizational structure to minimize the risk of loss or reduction of client assets due to misuse, fraud, poor administration, inadequate record-keeping, or negligence.

If the legal regulations of the country where client funds or financial instruments are held prevent compliance with these obligations, the Bank must implement alternative mechanisms to protect client assets.

Handling Clients' Financial Instruments

The Bank may use clients' financial instruments only based on their orders and cannot pledge, transfer, or use them to settle its obligations or those of other clients without prior written authorization.

Depositing Financial Instruments Abroad

The Bank deposits clients' financial instruments with third parties, provided that the selection, appointment, and verification of such parties are conducted with due professional care. The Bank pays particular attention to the expertise and reputation of the third party and the laws governing the custody of such instruments, which may affect client rights.

Financial instruments are deposited only with third parties under regulatory supervision in the country where the custody is performed unless the type of instrument or service necessitates their deposit with foreign third parties. Clients may request the deposit of instruments with third parties in a foreign country.

Use of Clients' Financial Instruments

The Bank cannot use clients' financial instruments for its account or the account of others unless the client has explicitly given prior consent. The Bank's records must indicate who provided the consent and under what conditions the instruments can be used.

The Bank takes appropriate measures to prevent unauthorized use of clients' financial instruments, such as borrowing the necessary securities on behalf of the client or closing out positions.

INVESTOR PROTECTION FUND

The Investor Protection Fund, managed by the Deposit Insurance Agency, of which the Bank is a member, protects retail investors whose funds or financial instruments are at risk in the event of the Bank's bankruptcy or inability to meet its obligations to investors.

When establishing a business relationship with the Bank, clients sign the *Basic Information on the Retail Investor Protection System* form.

Protected claims include monetary funds and financial instruments up to a maximum amount of EUR 20,000 in the dinar equivalent at the official exchange rate. In the event of a covered claim, the Bank provides the Agency with the necessary client records and other required information. This protection does not apply to assets covered by other legal provisions or claims arising from unlawful activities. The



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specified coverage applies to the total claims of a retail investor against the Bank, regardless of the number of accounts, locations where the accounts are held, or the currency.

In the event of a covered claim, protection is provided for compensation requests arising from the Bank's inability to:

1. Pay monetary funds owed to or belonging to a retail investor, which the Bank holds and manages on their behalf, arising from the performance of investment services and activities;
2. Return to the retail investor their financial instruments that are listed in the Central Securities Depository and Clearing House (CRHOV), are listed on a regulated market, and are held by a member of the Fund, managed on their behalf, arising from the performance of investment services and activities.

BRIEF DESCRIPTION OF MEASURES FOR CONFLICT OF INTEREST MANAGEMENT

The Bank's Conflict of Interest Management Policy defines the forms of conflicts of interest and prescribes measures to prevent them.

A conflict of interest may arise between:

- The interests of the Bank and/or relevant persons or persons directly or indirectly connected with them on one side, and the interests of clients on the other;
- The interests of different clients.

The Bank takes measures to ensure that relevant persons do not use insider information to the detriment of clients, do not trade for their account using such information, and do not hold financial interests contrary to the interests of clients.

If a conflict of interest cannot be avoided, the Bank notifies the client before executing the transaction so that the client can make an informed decision. In cases where a conflict of interest may harm the client, the client has the right to terminate the cooperation.

FINANCIAL INSTRUMENTS

Financial instruments include:

- Transferable securities
- Money market instruments
- Units of collective investment undertakings
- Derivative financial instruments
- Emission allowances

Transferable securities are financial instruments that can be traded on the capital market, excluding payment instruments, and specifically include:



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- Shares in companies or other securities equivalent to shares in companies or other entities, as well as depositary receipts related to such shares;
- Bonds and other forms of securitized debt, including depositary receipts related to such securities;
- Any other securities granting rights to acquire or sell such transferable securities, which are settled in cash and whose value is determined based on transferable securities, currencies, interest rates or yields, commodities, indices, or other measurable values.

Shares are dematerialized equity securities issued by a joint-stock company. A joint-stock company is a company whose capital is divided into shares, owned by one or more shareholders, and has no maturity date.

Shares can be categorized as:

- Common shares
- Preferred shares

Bonds are debt, transferable, and dematerialized financial instruments issued by states, local governments, banks, and companies. By issuing bonds, the issuer undertakes to pay the bondholder a specific monetary amount (principal and interest) according to the terms and conditions under which the bond was issued. Bonds can be classified based on various criteria and characteristics, most commonly as follows:

1. By issuer:
 - Sovereign bonds – issued by a state, typically the Ministry of Finance or Treasury;
 - Municipal bonds – issued by local government units;
 - Corporate bonds – issued by a company.
2. By interest rate:
 - Zero-coupon bonds – bonds with no interest payments (coupon);
 - Fixed-rate bonds – bonds with a fixed interest rate (coupon);
 - Floating-rate bonds – bonds with a variable interest rate (coupon).
3. By principal repayment:
 - Bullet bonds – bonds where the principal is repaid in full at maturity;
 - Amortizing bonds – bonds with principal repaid in installments.

Bonds can be issued in various currencies (per applicable regulations), have different maturities, and can be either unsecured or secured (e.g., by guarantee).

Money Market Instruments

Money market instruments are financial instruments (short-term debt instruments) that are typically traded on the money market, such as treasury bills, promissory notes, commercial papers, and certificates of deposit, excluding payment instruments.

Units of Collective Investment Undertakings



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Units of collective investment undertakings are freely transferable dematerialized financial instruments issued by a collective investment undertaking. These units grant their holders a proportional share in the net assets of the collective investment undertaking.

Derivative Financial Instruments

Derivative financial instruments include:

1. Options, futures, swaps, forward rate agreements (non-standardized forward interest rate contracts), and all other derivative contracts related to securities, currencies, interest rates, yields, or emission allowances, as well as other derivative financial instruments, financial indices, or financial measures that can be settled physically or in cash.
2. Options, futures, swaps, forwards, and other derivative contracts related to commodities that must be settled in cash, or may be settled in cash at the option of one of the parties, except in cases of default or other grounds for contract termination.
3. Options, futures, swaps, and other derivative contracts related to commodities that can be physically settled, provided they are traded on a regulated market, MTP (Multilateral Trading Platform), or OTF (Organized Trading Facility), excluding wholesale energy products traded on an OTF that must be physically settled.
4. Options, futures, swaps, forwards, and other derivative contracts related to commodities that can be physically settled, which are not specified in item 3, are not intended for commercial purposes, and exhibit characteristics of other derivative financial instruments.
5. Derivative financial instruments for the transfer of credit risk.
6. Financial contracts for differences.
7. Options, futures, swaps, forward rate agreements, and other derivative contracts related to climatic variables, transportation costs, inflation rates, or other official economic and statistical data that must be settled in cash, or may be settled in cash at the option of one of the parties, except in cases of default or other grounds for contract termination.

Additionally, other derivative contracts related to assets, rights, obligations, indices, and measures not listed above, which possess the characteristics of other derivative financial instruments, may also qualify, considering, among other factors, whether they are traded on a regulated market, OTF, or MTP.

Emission Units

Emission units refer to any units determined to be following the provisions of the law governing the system of trading greenhouse gas emission allowances.

Details regarding each of these instruments, including shares, bonds, money market instruments, collective investment fund units, and derivative financial instruments, are specified in the relevant laws and regulations.

RISKS FOR CLIENTS INVESTING IN FINANCIAL INSTRUMENTS

When making investment decisions, clients must be aware of the risks associated with investing in financial instruments.

General risks include:



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- **Country risks:** Sovereignty, political risk, economic risk, foreign exchange risk, inflation risk, and the risk of regulatory changes.
- **Issuer risks:** Credit risk, industry risk, management risk, operational risk, dividend non-payment risk, and environmental risk.
- **Specific risks related to financial instruments:** Liquidity risk, market risk, exchange rate risk, counterparty risk, and others.

Diversification is recommended as a way to reduce overall investment risk, though it does not guarantee complete security.

CLIENT CATEGORIZATION AND RECATEGORIZATION

Before providing investment services, the Bank classifies clients into two categories:

- **Retail Investors**
- **Professional Investors**

Retail investors receive the highest level of protection. They are legal or natural persons who do not meet the criteria to qualify as professional investors.

Professional investors are defined as:

1. Entities subject to licensing or supervision by regulatory bodies to operate in financial markets. These include credit institutions, investment firms, other licensed financial institutions, insurance companies, collective investment undertakings and their management companies, voluntary pension funds and their management companies, commodity dealers, other institutional investors, and other investors deemed professional under EU regulations.
2. Legal entities meeting at least two of the following criteria:
 - Total assets of at least EUR 20 million in the dinar equivalent, as determined by the official middle exchange rate of the Serbian dinar to the euro set by the National Bank of Serbia.
 - Annual turnover of at least EUR 40 million in the dinar equivalent, as determined by the official middle exchange rate of the Serbian dinar to the euro set by the National Bank of Serbia.
 - Own funds of at least EUR 2 million in the dinar equivalent, as determined by the official middle exchange rate of the Serbian dinar to the euro set by the National Bank of Serbia.
3. State entities, such as the Republic of Serbia, autonomous provinces, and local government units, as well as other countries or national and regional bodies, the National Bank of Serbia, central banks of other countries, and international or supranational institutions such as the International Monetary Fund, the European Central Bank, the European Investment Bank, and similar international organizations.



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4. Other institutional investors whose primary activity involves investing in financial instruments, including entities engaged in asset securitization or other financing transactions.

Client Recategorization

At the client's request, the Bank may classify a retail investor as a professional investor or vice versa, under certain conditions.

- Professional investors seeking a higher level of protection may request in writing to be treated as retail investors.
- Retail investors seeking a lower level of protection may request to be treated as professional investors.

To transition to a higher level of protection (from professional to retail investor), the client must submit a written request, and the Bank and the client must sign an agreement specifying the services for which the client seeks enhanced protection.

To waive a higher level of protection (from retail to professional investors), the client must submit a written request and declare awareness of the consequences of reduced protection. The Bank then evaluates whether the client has sufficient knowledge and experience to make investment decisions.

Suitability Assessment

When providing investment advisory services or portfolio management services, the Bank is obligated to collect necessary information about the knowledge and experience of the client or potential client in the investment field relevant to a specific type of product or service, their financial situation (including the client's ability to bear losses), as well as the client's investment objectives and risk tolerance. This enables the Bank to recommend a particular investment service or financial instrument that is suitable for the client and aligns with their risk tolerance and capacity to absorb losses.

Based on the information provided by the client, the Bank prepares a profile detailing the knowledge and experience of the client or potential client—retail client—in the investment area relevant to the specific type of product or service. This profile considers the nature of the client, the nature and scope of the services, and the type and complexity of the product or transaction to assess whether the offered or requested product or investment service is suitable. For clients or potential clients categorized as professional investors or qualified investors, the Bank may presume that they possess the requisite knowledge and experience to assess risks associated with the investment services and transactions for which they are classified as professional investors.

The profile of a retail client's knowledge and experience must include the following data:

- Basic information about the client.
- The type of services, transactions, and financial instruments familiar to the client.



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- The nature, value, and frequency of transactions and the period during which they were conducted.
- The client's qualifications and current occupation.
- The specific type of product or investment service offered by the Bank or requested by the client.

This profile is prepared using the Bank's prescribed form, which is available to every client or potential client when contracting these services and activities.

If the Bank determines that a specific product or service is not suitable for the client, the client will be warned. Should the client still wish to use the service at their own risk, they must sign a statement of intent to use the service at their responsibility.

The Bank may provide investment services consisting solely of execution or reception and transmission of orders without further suitability assessments, provided certain conditions are met, including that the service is provided at the client's initiative:

1. The specified services pertain to one of the following financial instruments:
 - Shares admitted to trading on a regulated market, an equivalent market in a third country, or an MTF, provided they are shares of companies and not shares in alternative investment funds or shares embedded with a derivative financial instrument.
 - Bonds or other forms of securitized debt admitted to trading on a regulated market, an equivalent market in a third country, or an MTF, except those embedded with a derivative financial instrument or structured in a way that makes it difficult for the client to understand the risks.
 - Money market instruments, except those embedded with a derivative financial instrument or structured in a way that makes it difficult for the client to understand the risks.
 - Shares or units in UCITS funds, excluding structured UCITS funds, as per the law governing open investment funds with a public offering.
 - Structured deposits, excluding those structured in a way that makes it difficult for the client to understand the risks of return or costs of early withdrawal.
 - Other non-complex financial instruments for this provision.
2. The service is provided at the initiative of the client or potential client.
3. The client or potential client has been informed that, during the provision of the specific service, the investment firm is not obligated to assess the suitability of the provided or offered financial instrument or service, and therefore the client does not enjoy the protection of relevant conduct-of-business rules. This warning may be given in a standardized form.



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4. The investment firm complies with the obligations outlined in Article 176 of this law.

ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

When providing information about financial instruments, the Bank is obligated to:

Inform retail investors and potential retail investors about how the prospectus is made available before the provision of services.

Provide sufficient details regarding guarantees or capital protection if the financial instrument includes such features.

Provide an appropriate description of the legal nature of the financial instrument, especially if it consists of multiple components, i.e., different instruments or services.

HANDLING CLIENT ORDERS

Order Reception Methods

The Bank may receive orders in written form, electronically through an application, via email, by telephone, or through other secure electronic services (e.g., SWIFT, Bloomberg, Reuters). Clients may submit orders in person at the Bank's headquarters or authorized branches. Orders must be signed and correspond to the information provided during the client's prior identification process.

Order Execution

The Bank will execute client orders in accordance with its internal procedures, always striving to achieve the most favorable conditions for the client, unless the client specifies the order differently. The Bank ensures prompt and accurate execution of orders based on the order receipt time and continuously monitors the correctness of orders.

Achieving the Best Possible Outcome for the Client

The Bank undertakes all necessary actions to achieve the best possible outcome for the client when executing orders, considering factors such as price, costs, speed, likelihood of execution, settlement, order size, and other relevant aspects. If the client issues specific instructions, the Bank will execute the order according to those instructions.

When the Bank receives a client order with specific execution instructions, the obligation to achieve the best possible outcome for the client is deemed fulfilled.

When executing an order for a retail client, the best possible outcome is determined by the total transaction costs. Total transaction costs include the price of the financial instrument and all costs directly related to order execution, such as trading venue fees, clearing and settlement fees, the Bank's commission, and any other fees payable to third parties involved in the order execution.



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Execution Venues

When providing the service of executing and/or receiving and transmitting orders on behalf of and for the account of the client, the Bank shall select the execution venue that allows for the execution of orders under the most favorable conditions.

The execution venue may be: a regulated market (e.g., Belgrade Stock Exchange), a multilateral trading platform (MTP), an organized trading platform (OTC), a systematic internalizer, or other similar institutions. If the same financial instrument is traded on two or more organized markets, the Bank will consider elements that affect the choice of execution venue, including achieving the best possible outcome for the client, price, costs, speed, and likelihood of execution, unless the client provides explicit instructions regarding the execution venue.

If a client submits an order for a financial instrument that is listed only on one market, the Bank will execute the order on that market, considering it to be the most favorable outcome for the client.

The Bank may execute orders on the OTC market following the law if the client requests it or if it is considered the best possible outcome for the client.

Execution of Orders Through Partners

For financial instruments listed on markets where the Bank is not a member, the Bank may transfer orders to third parties—partners with whom it has a contractual relationship. In such cases, order execution will be conducted under the order execution rules of the partner.

Execution of Orders on Foreign Markets

The Bank may forward client orders to another investment firm for execution on foreign markets. The Bank will take into account the selection of foreign partners, their licenses, the markets they have access to, order execution speed, and other relevant factors.

CLIENT REPORTING

After executing an order, the Bank will proceed as follows:

Without delay, provide the client with essential information about the execution of the order.

No later than the first business day after execution or receipt of confirmation from a third party, the Bank will provide the client with a notification about the execution of the order.

Clients using the Alta Trader platform can receive application-based notifications regarding the status of their orders. The Bank also provides clients with periodic reports on portfolio management activities following relevant regulations. These reports include all essential information about the client's portfolio, including valuation, transactions, returns, and fees.



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Order Execution Confirmation

The Bank is required to immediately, and no later than the next business day after receiving the order, provide the client with a confirmation via a durable medium regarding the time and place of order receipt, acceptance or rejection of order execution. The confirmation contains all relevant transaction details, including price, quantity, commissions, and other costs.

Fees and Other Charges

The Bank's tariff list sets out the maximum amounts of fees and commissions that a client must pay for the services provided.

When performing transactions involving the purchase and sale of financial instruments on behalf of the client, the commission amount is specified in the purchase or sale order under the Tariff List. The Bank publishes the Tariff List on its website at www.altabanka.rs, and clients are considered to have accepted the terms of the Tariff List after the expiration of a period of eight days from the date of publication.

Right to File Complaints/Objections and Other Client Inquiries

The handling of client complaints at the Bank is carried out in accordance with the Bank's internal acts. These acts are available at the Bank's premises and on the website www.altabanka.rs.

Entry into Force

The information is published on the Bank's website the next business day following the receipt of the decision from the Securities Commission granting approval for this document.

The business rules enter into force 7 days after the publication on the Bank's website.

EXECUTIVE BOARD MEMBER

EXECUTIVE BOARD CHAIRMAN

Tatjana Kuljak

Dr Una Sikimić