



EXECUTIVE BOARD

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Rulebook
on the Disclosure and Prevention of Market Abuse
of the Brokerage and Dealer Department
ALTA Bank a.d. Belgrade

Belgrade, September 2024

Based on Article 280 of the Capital Markets Law ("Official Gazette of RS", No. 129/2021), Article 5 of the Rulebook on Procedures that May Be Considered Market Manipulation, Procedures for Preventing and Detecting Market Abuse, and Reporting Suspicious Transactions, and Article 33, Paragraph 3, Item 14 of the Statute 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:

**Regulation on the Disclosure and Prevention of Market Abuse
Brokerage and Dealer Department
ALTA Bank a.d. Belgrade**

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INTRODUCTORY PROVISIONS

Article 1.

This Regulation on the Disclosure and Prevention of Market Abuse of the Brokerage and Dealer Department of ALTA Bank a.d. Belgrade (hereinafter referred to as the Regulation) sets forth the basic principles and procedures applied by the Bank to detect and prevent all forms of market manipulation. The Regulation is based on the applicable laws and regulations of the Republic of Serbia, particularly the Capital Markets Law (ZTK) and the Regulation on Procedures that may be considered market

manipulation, procedures for preventing and detecting market abuse, and reporting suspicious transactions.

The aim of this Regulation is to ensure a high level of protection for the integrity of the capital market, investor confidence, and the security of the Bank's clients' assets. All employees of the Bank are obligated to adhere to these provisions in their daily work and to take appropriate measures when there are indications of possible market abuse.

Article 2.

This Regulation applies to all activities and transactions conducted within the Brokerage and Dealer Department of ALTA Bank a.d. Belgrade. The Regulation applies to all types of financial instruments traded on the capital market, including transferable securities, money market instruments, financial derivatives, and other instruments prescribed by law.

The Regulation applies to all employees of the Brokerage and Dealer Department, as well as to all clients and third parties involved in transactions conducted by the Bank. In case of suspicion or discovery of abuse, the Bank is required to act following this Regulation and relevant regulations, notify the competent authorities, and take all necessary measures to protect the market and the clients.

BASIC TERMS

Article 3.

For this Regulation, the following terms have the following meanings:

1. Bank: ALTA Bank a.d. Belgrade, an organizational unit that provides services in the field of capital markets.
2. Client: A legal or natural person, domestic or foreign, who uses the Bank's services in connection with investment activities.
3. Financial Instruments (FI): Transferable securities, money market instruments, units of collective investment schemes, financial derivatives, and other instruments prescribed by the Capital Markets Law.
4. Securities Commission (KHOV): An independent institution of the Republic of Serbia that supervises and regulates the capital market.
5. Central Registry, Depository, and Clearing of Securities (CRHOV): An institution that keeps the register of financial instruments, clears and settles transactions, and performs other duties prescribed by law.

MARKET MANIPULATION

Article 4.

Market manipulation refers to all actions and procedures that undermine the integrity of the market, deceive investors, or influence the price of financial instruments unfairly or illegally. Manipulation may encompass a wide range of activities, including but not limited to:

1. Executing transactions or issuing orders for trading or any other procedure that:

(1) provides or is likely to provide false or misleading signals or information regarding the offer, demand, or price of a financial instrument or related commodity contract on the spot market;

(2) maintains or is likely to maintain the price of one or more financial instruments or related commodity contracts on the spot market at an unusual or artificial level, unless the person participating in the transaction, by placing the order or participating in any other way, demonstrates that the transaction, order, or procedure was carried out for legitimate reasons and is in compliance with accepted market practices on that market;

2. Executing a transaction, issuing an order for trading, or performing other activities or procedures that affect or may affect the price of one or more financial instruments or related commodity contracts on the spot market, using fictitious assets or other forms of deception or fraud.

3. Spreading information through public media, including the internet and all other means that give, or could give, false or misleading signals regarding the offer, demand, or price of a financial instrument or related commodity contract on the spot market, or maintain or could maintain the price of one or more financial instruments or related commodity contracts on the spot market at an unusual or artificial level, including the spreading of rumors, by a person who knew or should have known that the information was false or misleading when the person disseminating the information gains an advantage or benefit for themselves or another party from the spreading of such information.

4. Transmitting false or misleading information or providing false or misleading underlying data about a benchmark when the person transmitting the information or providing the underlying data knew or should have known that it was false or misleading, or any other procedure that manipulates the calculation of the benchmark.

Article 5.

The actions and procedures that are specifically considered market manipulation include:

1. Activities of one or more persons collaborating to secure a dominant position over the offer or demand of a financial instrument or related commodity contracts on the spot market that indirectly or directly affect or could affect the determination of buying or selling prices or create other unfair trading conditions;
2. The purchase or sale of financial instruments at the beginning or end of the trading day to give misleading signals to investors who base their decisions on the displayed prices, including opening or closing prices;

3. Issuing orders on the trading venue, including any withdrawal or modification of such orders, using any available trading means, including electronic means, such as algorithmic and high-frequency trading strategies, which result in one of the following consequences mentioned in paragraph 1, points 1) and 2) of this article, through:
 - (1) Disrupting or slowing down the functioning of the trading system at the trading venue or making it likely to do so;
 - (2) Hindering the identification of genuine orders in the trading system at the trading venue or making it likely to do so, including the submission of orders that overload or destabilize the order book;
 - (3) Creating or likely creating false or misleading signals regarding the offer or price of a financial instrument and its demand, especially by entering orders that trigger or amplify a trend;
4. Exploiting occasional or regular access to traditional or electronic public media by expressing opinions about a financial instrument or related commodity contract on the spot market (or indirectly about its issuer), in such a way that the person has previously taken a position in that financial instrument or related commodity contract on the spot market and benefited from the influence the opinion had on the price of that instrument or related commodity contract on the spot market, without simultaneously disclosing the existence of a conflict of interest appropriately and effectively to the public.
Suppose the entity in this article is a legal entity. In that case, this article also applies to natural persons involved in the decision-making process regarding executing a transaction on behalf of the legal entity in question.

Article 6.

Indicators of market manipulation include, but are not limited to:

1. Sudden price changes in financial instruments without a proper basis in market conditions.
2. Repeated transactions between related parties aimed at creating a false impression of trading volume or price of the instrument.
3. A large volume of orders or transactions in a short period that is not justified by economic reasons and may destabilize the market.

DETECTION AND PREVENTION OF MARKET ABUSE

Article 7.

The Bank is obligated to establish and maintain a comprehensive system for monitoring and detecting suspicious activities on the capital market. This system includes:

Timely monitoring of all received and transmitted orders, as well as all executed transactions, in order to identify orders and transactions that could constitute market abuse.

The implementation of automated surveillance systems that enable efficient monitoring of trading activities, generating alerts and reports, and using visual tools for market trend analysis.

Regular assessment of the adequacy of measures and procedures at least once a year, to ensure their effectiveness and compliance with legal requirements and market changes.

Article 8.

Automated surveillance systems must be tailored to the scope, size, and nature of the Bank's operations. These systems must be capable of quickly and accurately identifying suspicious transactions, and the Bank is obliged to regularly update them to ensure compliance with the latest regulatory requirements and market changes.

The Bank is required to ensure the accuracy, completeness, and consistency of its trading records, in order to be able to respond to requests from the competent authorities regarding any suspicious market activities.

DOCUMENTATION RETENTION

Article 9.

The Bank is obliged to retain all relevant information and documentation related to the analysis of orders and transactions suspected of constituting market abuse. This documentation must be retained for at least five years, and upon the request of the Securities Commission (KHOV), it must be provided as soon as possible.

The Bank is required to ensure the confidentiality of all collected data and take all necessary measures to protect this information from unauthorized access or misuse.

OBLIGATION TO REJECT ORDERS

Article 10.

The Bank is obligated to reject any trade order if there are reasonable grounds to suspect that the execution of such an order could result in a violation of the law, including the Capital Market Act or the Anti-Money Laundering and Terrorist Financing Act. The rejection of the order must be documented, and the Securities Commission (KHOV) must be notified of the reasons for the rejection.

In cases where the Bank rejects an order, it is obligated to immediately inform the client of the reasons for such a decision and provide all relevant information that led to the rejection of the order.

NOTIFICATION OF SUSPICIOUS TRANSACTION

Article 11.

By the KHOV Regulation, the Bank is obligated to report any suspicious transaction that could constitute market abuse to the Securities Commission (KHOV) using the prescribed form (STOR). The report must be sent to the designated email address of the Commission: zloupotrebe@sec.gov.rs , and must include all relevant information about the submitter, details of the order or transaction, the nature of the suspicion, reasons for suspicion, information about the person the notification concerns, and any other information deemed relevant for the report, as well as a list of the attached documentation.

When reporting a suspicious transaction, the Bank is required to take all necessary measures to ensure that the information is accurate, complete, and delivered to the relevant authorities on time.

FINAL PROVISIONS

Article 12.

This Regulation shall be published on the Bank's website the next business day after receiving the decision from the Securities Commission regarding the approval of the document.

This Regulation enters into force 7 days after its publication on the Bank's website.

EXECUTIVE BOARD MEMBER

EXECUTIVE BOARD CHAIRMAN

Tatjana Kuljak

Dr Una Sikimić