

Based on Article 280 of the Law on the Capital Market ("Official Gazette of the Republic of Serbia," no. 129/2021, hereinafter referred to as the "Law") and Article 5 of the Regulation on Procedures that Can Be Considered Market Manipulation, Procedures for Preventing and Detecting Market Abuse, and Reporting Suspicious Transactions ("Official Gazette of the Republic of Serbia," no. 77/2022), the shareholders' assembly of Broker-Dealer Company Tesla Capital JSC Belgrade (hereinafter referred to as the "Company"), at the meeting held on December 28, 2022, enacts:

## **RULEBOOK ON PROCEDURES AND MEASURES FOR PREVENTING AND DETECTING MARKET ABUSE**

### **1. GENERAL PROVISIONS**

#### **Article 1.**

This Rulebook on procedures and measures for preventing and detecting market abuse (hereinafter referred to as the "Rulebook") regulates the actions of the Company in order to detect and prevent activities and actions that may be considered market abuse. It provides examples of activities that constitute market manipulation, defines the authorities, responsibilities, and tasks of employees within the Company, outlines the procedures for notifying the Securities Commission in situations where there is a reasonable suspicion that certain behaviors or transactions constitute market manipulation, all with the ultimate goal of protecting clients' assets.

#### **Article 2.**

The provisions of this Rulebook, unless otherwise indicated, apply to the Company, its employees, and other relevant parties.

#### **Article 3.**

Employees of the Trading Department, considering the tasks they perform, are obligated to inform their immediate supervisor and the Internal Controller about suspicions of market manipulation.

All employees within the Company are obligated to pay attention to and report to the Internal Controller activities for which there may be a reasonable suspicion that they constitute market manipulation. The notification of competent authorities is conducted according to the procedure prescribed by this Rulebook.

### **2. ACTIONS AND PROCEDURES CONSIDERED MARKET MANIPULATION**

#### **Article 4.**

Market manipulation includes the following actions:

1. Executing a transaction, placing a trading order, or another procedure that:

- (1) Provides or is likely to provide false or misleading signals or information about the supply, 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 participant in the transaction, giving the trading order, or otherwise participating, proves that such transaction, order, or procedure was carried out for legitimate reasons and in line with accepted market practices on that market;
2. Executing transactions, placing trading orders, or engaging in other activities or procedures that influence or could influence the price of one or more financial instruments or related commodity contracts on the spot market, using fictitious means or other forms of deception or fraud.
3. Disseminating information through public information channels, including the internet and all other means used to provide or could provide false or misleading signals regarding the supply, demand, or price of a financial instrument or related commodity contract on the spot market. This also includes maintaining or likely maintaining the price of one or more financial instruments or related commodity contracts on the spot market at an unusual or artificial level. This encompasses spreading rumors by individuals who knew or should have known that such information was untrue or misleading, and those transmitting the information gain an advantage or benefit for themselves or another person.
4. Transmitting false or misleading information or providing false or misleading underlying data regarding the benchmark when the entity transmitting the information or providing the underlying data knew or should have known that they were false or misleading, or any other action that manipulates the calculation of the benchmark value.

#### **Article 5.**

The following are particularly considered market manipulation actions and procedures:

- 1) Activities of one or more entities cooperating to gain a dominant position in the supply or demand of a financial instrument or related commodity contracts on the spot market that directly or indirectly affect or could affect the determination of buying or selling prices or create other unfair trading conditions.
- 2) Purchasing or selling financial instruments at the beginning or close of a trading day that has or could have a misleading impact on investors making decisions based on displayed prices, including opening or closing prices.
- 3) Placing orders at the trading venue, including any withdrawal or modification thereof, using any available trading means, including electronic means, such as algorithmic and high-frequency trading strategies, which have one of the consequences listed in Article 4, point 1, items 1) and 2) of this article, through:
  - (1) Disrupting or slowing down the functioning of the trading system at the trading venue or is likely to do so;
  - (2) Making it difficult to identify genuine orders in the trading system at the trading venue, or is likely to do so, including entering orders that lead to overloading or destabilization of the order book;

- (3) Creating or likely to create false or incorrect signals regarding the supply or price of a financial instrument and its demand, especially by entering orders that initiate or enhance a trend.
- 4) Exploiting occasional or regular access to traditional or electronic means of public information by expressing opinions about a financial instrument or related commodity contract on the spot market (or indirectly about its issuer). This is done after the entity has taken a position in that financial instrument or related commodity contract on the spot market and benefited from the impact that expressing 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 to the public in an appropriate and efficient manner.

The provisions of this article apply to legal entities and natural persons participating in making decisions on executing transactions on behalf of the referred legal entity.

### **3. INDICATORS OF MANIPULATION**

#### **Article 6.**

Employees of the Company are obligated, when receiving orders and/or executing transactions, to consider the prescribed indicators of manipulation. These indicators by themselves do not necessarily imply that in a specific case, market abuse has occurred. Nor does the absence of any fact or event mentioned here imply the opposite. When assessing, employees should take into account the specific circumstances of each individual case:

Circumstances affecting the assessment of market abuse under Article 5 of this Rulebook can include:

- 1) Whether false, misleading, or deceptive information is spread by individuals who have placed orders or executed transactions, either before or after such orders or transactions, or by associated entities.
- 2) Whether orders are placed or transactions are executed by entities that, either before or after giving orders or executing transactions, distribute inaccurate, biased, or clearly self-interested market research or investment recommendations directly or through related entities.

#### **Article 7.**

Circumstances affecting the assessment of market abuse under Article 4 of this Rulebook can include:

1. To what extent the given trading orders or executed transactions constitute a significant portion of the daily trading volume of the relevant financial instrument at the trading venue, particularly when these activities lead to a significant change in the price of the financial instrument.
2. The extent to which trading orders issued by entities with significant buying or selling positions in the financial instrument or transactions executed by these entities lead to significant changes in the price of the financial instrument, derivative financial instruments, or related variables, as listed on the trading venue.

3. Whether executed transactions result in an actual change of ownership of the financial instrument listed on the trading venue.
4. To what extent the given orders or executed transactions involve changes in positions within a short period and represent a significant portion of the daily trading volume of the relevant financial instrument at the trading venue. Additionally, whether they could be associated with significant price changes of the financial instrument listed on the trading venue.
5. The extent to which the given orders or executed transactions, concentrated within a short time period during daily trading, lead to a price change that subsequently alters the direction of movement.
6. The extent to which given orders alter the display of best bid or ask prices for the financial instrument listed on the trading venue or the display of market depth visible to market participants, but are removed before execution.
7. The extent to which orders are given or transactions are executed at a specific time (at the close of trading) or around a specific time when benchmark prices (closing prices) are calculated, and other calculations are performed. If these lead to price changes that affect benchmark prices and calculations.

#### **4. DISCLOSURE AND PREVENTION OF MARKET ABUSE**

##### **Article 8.**

The Company is required to establish and maintain measures, systems, and procedures that ensure the efficient and continuous monitoring of all received and transmitted orders, as well as all executed transactions, for the purpose of detecting and identifying orders and transactions that might constitute trading or attempted trading based on insider information or market manipulation or attempted market manipulation. The Company is also responsible for reporting suspicious transactions and orders to the Securities Commission.

The prescribed measures and procedures must be appropriate and proportionate to the scope, size, and nature of the Company's activities. They must undergo regular assessment at least once a year and be updated as needed.

The Company is required to maintain written records of these activities, with the information retained for a minimum of 5 years.

Upon request from the Securities Commission, the Company is obligated to provide information that demonstrates the adequacy and proportionality of its system in relation to the scope, size, and nature of its business activities. This includes information about the level of automation implemented in these systems.

##### **Article 9.**

The Company is obligated to monitor all trading activities taking place through its trading systems, including its clients' systems, in order to detect signs of potential market manipulation.

The Company must establish and maintain an automated surveillance system that effectively monitors orders and transactions, generates alerts and reports, and, if appropriate, uses visualization tools.

The Company verifies all indicators of suspicious trading activities generated by its automated surveillance system during the investigation phase, in comparison with other relevant trading activities undertaken by the Company.

The Company's automated surveillance system is adjusted in accordance with changes in regulatory obligations and the Company's trading activities. This includes changes to its trading strategies and its clients' strategies.

The Company is required to review its automated surveillance system at least once a year to assess whether the system and applied parameters and filters remain appropriate for regulatory obligations and the trading activities of the investment company. This includes ensuring that the generation of false positive and false negative surveillance alerts is minimized as much as possible.

The Company is obligated to ensure that its trading records and account information are accurate, complete, and consistent. This involves aligning its electronic trading logs with the records provided by its trading venues, brokers, clearing members, data providers, or other relevant business partners, as applicable and appropriate, considering the nature, scope, and complexity of its operations.

#### **Article 10.**

All employees of the Company who reasonably suspect that a transaction could constitute trading based on insider information or market manipulation are obligated to inform the Internal Controller immediately and no later than the end of the working day.

Notification of suspicion of market manipulation is submitted using the STOR Form prescribed by the Securities Commission. Each form is assigned a sequential number by the Internal Controller based on the Record of Suspicious Transactions maintained.

The Internal Controller is required to promptly review the planned or executed transaction upon receiving the Notification of suspicion of market manipulation. Subsequently, the Internal Controller prepares a report and immediately forwards it to the Director of the Company.

If the Internal Controller determines that there are justified reasons for suspicion, they must promptly inform the Securities Commission and provide all relevant information in accordance with the applicable regulations.

If, after conducting the review, the Internal Controller concludes that there is no justification for suspicion of market manipulation, they must prepare an official note specifying the reason for not reporting the transaction to the Securities Commission. Additionally, they must propose measures for further monitoring of the orders related to the provided Notification of suspicion and the ordering party.

#### **Article 11.**

The notification of suspicious transactions as per Article 10 of this Rulebook contains the following information:

1. Information about the notifier:
  - (1) Full name of the individual submitting the notification,

- (2) Position held by the individual submitting the notification,
  - (3) Information about the legal entity submitting the notification (full name, registration number, address),
  - (4) Capacity in which the notifier is acting in relation to the orders or transactions for which the notification is being submitted,
  - (5) Type of trading and type of instrument,
  - (6) Contact information;
2. Information about the order or transaction:
    - (1) Financial instrument,
    - (2) Date and time of the transaction or order,
    - (3) Market;
  3. Information about the nature of suspicion and reasons for suspicion;
  4. Information about the person to whom the notification relates:
    - (1) Full name or name of the entity,
    - (2) Company registration number or personal identification number,
    - (3) Address,
    - (4) Job and position details of the individual to whom the notification relates,
    - (5) Account information;
  5. Any other information that the notifier deems relevant for the report;
  6. List of accompanying documentation.

The notification of suspicious transactions is submitted using the STOR Form, which is published on the website of the Securities Commission, to the email address [zloupotrebe@sec.gov.rs](mailto:zloupotrebe@sec.gov.rs).

#### **Article 12.**

The Company must not inform any other party about the Notification from Article 10 of this Rulebook. This specifically applies to the party on whose behalf the orders or transactions were placed or executed, or parties related to that party, except for entities to whom the notification is provided based on the law. Fulfilling this requirement does not subject the notifying party to any form of liability, provided that the notifying party acted in good faith.

Notifying the Securities Commission in accordance with the provisions of the Law and this Rulebook does not constitute a breach of the prohibition to disclose information stipulated in agreements or regulations. Therefore, the party that provided such notification is not held accountable.

### **5. Storage of Documentation**

#### **Article 13.**

The Company is required to retain, for a minimum of five years, the information based on which the analysis of orders and transactions that could constitute market abuses or attempted market abuses was conducted. This information should be provided to the Securities Commission upon their request.

The Company must ensure the confidentiality of the collected data and the submitted reports in accordance with the provisions of this article of the Rulebook.

## **6. Final Provisions**

### **Article 14.**

This Rulebook is an integral part of the Rules and Procedures of the Company's operations and comes into effect on the eighth day after its publication on the Company's website.

This Rulebook is published on the next working day following the receipt of the approval of the Securities Commission for the Company's Rules and Procedures of operations.

CHAIRMAN OF THE GENERAL ASSEMBLY OF SHAREHOLDERS

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## SUSPICIOUS TRANSACTION REPORT FORM

INFORMATION ABOUT THE REPORTING PARTY	
Full Name/Entity Name:	
JMBG (Personal ID)/MB (Registration Number):	
Address:	
Role of the Reporting Entity:	<i>(Specify in what capacity the reporting entity is acting – e.g., broker, dealer, market organizer...)<sup>1</sup></i>
Relationship with the Subject of the Report:	<i>(Provide a description of circumstances or contractual obligations)</i>
Contact Information for Additional Details:	
INFORMATION ABOUT THE TRANSACTION/ORDER	
Description of the Financial Instrument:	<i>(Provide name, issuer name, CFI code, and ISIN)</i>
Date and Time of the Order or Transaction:	
Trading Venue:	
Description of the Order or Transaction:	Number
	Price and Quantity
	Order Type
	Order Execution Method
	Identity of the Party Issuing the Order and the Receiving Party



	Details of Withdrawn or Modified Orders
<b>REASONS FOR SUSPICION</b>	
Nature of Suspicion:	<i>(Specify the type of violation: manipulation, insider trading, attempted manipulation, attempted insider trading)</i>
Reasons for Suspicion:	<i>(Describe the activities upon which the reporting entity noticed the case and the reasons for suspicion)</i>
<b>IDENTITY OF THE REPORTED PARTY</b>	
Full Name/Entity Name:	
JMBG (Personal ID)/MB (Registration Number):	
Address:	
Employment Information:	<i>(Specify job position and role – if available)</i>
Account Numbers:	<i>(Numbers of monetary and securities accounts)</i>
Relationship with the Issuer of the Relevant Financial Instrument:	
<b>OTHER INFORMATION</b>	
Other Information Deemed Relevant by the Reporting Party:	<i>(e.g., portfolio size, start date of business relationship with the client, trading patterns...)</i>
<b>ATTACHED DOCUMENTATION</b>	
List of Attached Documentation:	
<b>SIGNATURE AND SEAL OF THE REPORTING PARTY</b>	

<sup>1</sup>Note: The text in italics is an instruction for filling out the form and should be deleted after completion.