



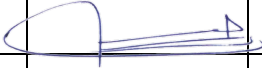
Market Surveillance Policy

Document control

Document Description

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Document approval

	Name/Job Title	Signature	Date
Prepared by	Senior Director of Market Surveillance Department		
Reviewed by	Director of Risk and Compliance Department		
Approved by	CEO		
Board of Directors Approval			

Document change log

Date	Release/Revision	Reviewed by (Name/Designation)	Description of major changes by section number

Release details

Publication date	
Next review dated	2025/10/1



Abbreviations

Symbol	Definition
Authority	Financial Services Authority
Stock Exchange:	Muscat Stock Exchange Company
Department Market	Operations Department

Definitions

Title	Definition
Trading	The process of buying and selling securities on the stock exchange
Informed	According to Article 300 of the Executive Regulations, an informed person is any person who can view material information that has not been disclosed by virtue of his position or job, and includes members of the Board of Directors and the Executive Management, and any person who obtains this information through his family, personal, work, or other relationship.
News/Material Information	Any fact or information that may affect a person's decision to buy, hold, sell or dispose of a security. According to Article 291 of the Executive Regulations, material information is defined as information the disclosure of which has a tangible impact on the price of a security or on the investment decisions of those dealing in it or on the trends of dealing in the market.
Disclosure	Providing the investor with information and data that affect the prices of securities. The importance of disclosure lies in the fact that it is the most important means of protection that can be provided to the investor to make the right investment decision based on the available disclosed information, and the most important elements for achieving fair prices for securities. It is also the most important means of limiting internal (internal) transactions based on undisclosed information, and is therefore considered a fundamental pillar of the capital market and the basis for its continued success.
Whistle-blower platform	A window on the Stock Exchange website to receive complaints from the public in the context of disclosure and trading



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Introduction

This document defines the department's policy and its general objectives, establishing mechanisms that align with the broader policy framework of the stock exchange. It serves as a reference for all exchange departments and employees. The document includes the general framework for achieving departmental objectives, strategy, and collaboration with other exchange departments in compliance with risk management practices and policies.

1.1 Objectives

The objective of the Trading Operations Control Department's policy is to outline the main responsibilities and tasks of the department and its staff within the framework of the department's operating procedures, laws, and disclosure and trading regulations. These tasks focus on:

- Monitoring and verifying the compliance of companies/funds listed on the Muscat Stock Exchange with applicable disclosure laws and regulations, thereby promoting transparency and supporting trust in the financial market.
- Monitoring and verifying the integrity of trading transactions and their alignment with applicable trading laws, regulations, and standards to protect investors and ensure fairness and integrity in the financial market, thus supporting confidence in the market.

1.2 Scope

This policy is designed to operate within the current organizational structure of the exchange and to support the achievement of the exchange's strategic objectives. It applies to all department personnel, including the department manager, permanent employees, contract staff, and trainees.

1.3 Application

This policy applies to all exchange officials and employees, who must adhere to the policy and promptly raise concerns about any actual or sensitive violations.

1.4 Compliance

The exchange maintains a zero-tolerance stance toward intentional or unintentional violations of management policy, standards, or laws and regulations. A breach of policy is defined as any situation where one or more requirements of this policy or standards are not met, and no exceptions are granted.



1.5 Deviation from Policy

The department manager must ensure that exchange employees understand these policies and procedures and that they are interpreted and managed consistently. Any deviations from this policy must be recommended and approved according to the authority delegation.

1.6 Approvals and Reviews

The policy is reviewed at least once a year by the department manager and then by the Risk and Compliance Department, and approved by the CEO and the Board of Directors. This version will be retained on the exchange's electronic portal and on the exchange server within the department's primary document file, as well as with the Risk and Compliance Department and the Internal Audit Department. The printed, approved version is kept in a secure location within the department's files. The department manager is the policy custodian and distributes this policy to all exchange departments.

1.7 Custody

The Trading Operations Control Department's policy is kept in the shared department file under the custody of the department manager.

1.8 Confidentiality

The confidentiality of this policy's contents is maintained, and it may not be displayed or used by any external party not working in the exchange.



Roles and Responsibilities



Defining and Detailing Departmental Activities

The table below outlines the primary roles and responsibilities for the department's key functions:

Roles and Responsibilities
• Supervising the development and improvement of trading and disclosure monitoring systems and processes. • Enhancing the department's efficiency and effectiveness in line with best practices. • Staying informed of developments in the financial sector, regulations, and best practices for sector development. • Developing, implementing, and monitoring the department's operational plan. • Ensuring compliance with key performance indicators and regulatory requirements. • Addressing deviations from the operational plan and key performance indicators and taking corrective action. • Supervising internal department sections, evaluating staff performance, and identifying development and training opportunities. • Overseeing the review and approval of press releases and financial statements related to public companies and investment funds for publication on the exchange's website. • Supervising market rumor analysis and reporting cases to relevant parties. • Monitoring trading activities to identify potential violations of regulations. • Evaluating and analyzing suspected cases of disclosure and trading rule violations referred from other departments. • Communicating with market participants (brokers, liquidity providers), regarding trading activities identified during monitoring. • Preparing reports on trading and disclosure violations for submission to the appropriate regulatory authority (Financial Services Authority). • Conducting historical monitoring of trading activities to identify potential regulatory violations. • Escalating confirmed violations to relevant parties. • Monitoring compliance by liquidity providers/market makers with trading standards and performance indicators and providing recommendations. • Conducting market analyses and providing recommendations on market trends, securities performance, and shareholder activities. • Assessing the effectiveness of trading monitoring systems and providing recommendations. • Managing the real-time monitoring of suspicious trading activities. • Cooperating with other departments to share information and investigate violations. • Compiling and analyzing evidence to support or refute suspected violations. • Reviewing and verifying data submitted via the electronic disclosure system before publication to ensure compliance with relevant regulations and laws. • Managing departmental projects in line with basic project management standards. • Ensuring compliance with regulatory requirements, internal policies, and applicable laws and regulations governing the department's operations.

- Updating policies and the department's procedural guide periodically and as needed for updates, with approvals as per the company's authority matrix.

4. Supporting Documents for the Policy

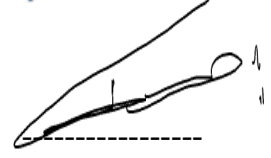
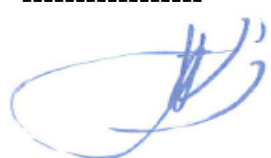
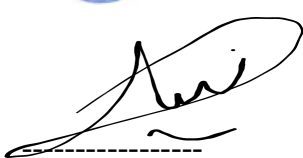
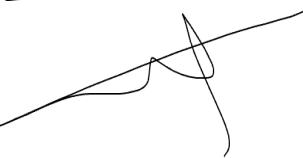
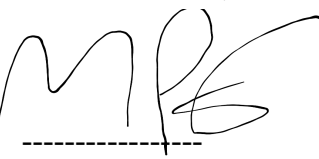
List of documents that support this policy:

- Trading Operations Control Department Procedures Manual
- Job Descriptions

5. Applicable Laws

- Royal Decree No. [18/2019] - Issuance of the Commercial Companies Law and its executive regulations.
- Royal Decree No. [5/2021] - Conversion of the Muscat Securities Market into a closed joint-stock company named Muscat Stock Exchange.
- Royal Decree No. [46/2022] - Issuance of the Securities Law and its executive regulations.
- Muscat Stock Exchange's Articles of Association
- Market-making regulatory framework
- Trading Instructions
- Listing Rules
- Clearing and Settlement Rules.

 BoD Approvals (Market surveillance department policy)

<u>Name</u>			<u>Signature</u>
1	Mr. Mohammed AlArdhi	Chairman	
2	Mr. Imad Sultan	Vice Chairman	
3	Ms. Samra AlHarthy	Board Member	
4	Mr. Aiham AlRiyami	Board Member	
5	Mr. Nabil AlMahrouqi	Board Member	
6	Mr. Khaled AlKhaled	Board Member	
7	Mr. Martin Graham	Board Member	
8	Ms. Nedhal AlHumeid	Board Secretary	