Appendix No. **27**
to the Client Service Regulations
Approved by Order No. **01-25**
of the Director of **Rioni Capital LLC**
______________________ Badri Gobechia
dated *11 October* **202**5

PROCEDURE

for Recognition of a Person as an Informed Investor of Brokerage Company "Rioni Capital"

TBILISI
2025

Article 1. GENERAL PROVISIONS

1.1. This Procedure defines the conditions, criteria and procedure for recognising natural persons and legal entities as Informed Investors (hereinafter — Informed Investor) in Rioni Capital Brokerage Company (hereinafter — the Company).

1.2. This Procedure has been developed in accordance with:
- the Law of Georgia on Securities Market;
- Order No. 223/04 of the President of the National Bank of Georgia dated 16 December 2020 "On Approval of the Procedure for Recognising a Person as a Knowledgeable (Informed) Investor";
- other normative acts of the National Bank of Georgia;
- the Company's internal documents, including the Client Categorisation Policy.

1.3. The purposes of this Procedure are:
- to ensure lawful and well-grounded reclassification of Clients;
- to confirm the Client's ability to make investment decisions independently and assess investment risks;
- to ensure compliance with the requirements of the National Bank of Georgia in terms of investor protection and the principles of fair business conduct.

Article 2. INFORMED INVESTORS BY LAW

2.1. The persons specified in paragraphs 1 and 2 of Article 2 of Order No. 223/04 of the President of the National Bank of Georgia shall be automatically recognised as Informed Investors, including:
- financial organisations, including financial organisations licensed or regulated by competent authorities of foreign states, as well as international financial organisations;
- legal entities whose equity capital, calculated in accordance with the International Financial Reporting Standards (IFRS), exceeds GEL 1,000,000 (one million);
- state authorities of Georgia or foreign states, autonomous republics or municipalities, including bodies authorised to manage public debt, as well as central banks;
- persons acting in the name of or for the benefit of pension schemes.

The above persons shall be deemed Informed Investors without undergoing any assessment procedure, testing or application of the Company's internal criteria; however, they shall be entitled to request that the Company serve them as a non-informed (retail) client.

2.2. An Informed Investor shall also mean a natural person or legal entity to whom the status of Informed Investor has been granted by an individual legal act of the President of the National Bank of Georgia, including on the basis of Order No. 16/01 of the President of the National Bank of Georgia dated 19 February 2010 or any other valid individual decision.

In such case:
- the person shall submit to the Company a document confirming the granting of the relevant status;
- the Company shall be entitled to verify the authenticity and validity of the submitted document;
- the person shall be recognised as an Informed Investor without carrying out any additional assessment, testing or application of the Company's internal criteria.

Such person shall be entitled to request service as a non-informed (retail) client.

Article 3. RECOGNITION OF A PERSON AS AN INFORMED INVESTOR ON THE BASIS OF THE COMPANY'S ASSESSMENT

3.1. A natural person or legal entity that does not fall within the automatic categories specified in Article 2 of this Procedure may be recognised as an Informed Investor solely on its own initiative or with its explicit consent.

3.2. The Company shall be entitled to recognise a Client as an Informed Investor where there are reasonable grounds to believe that the Client:

- possesses sufficient knowledge and experience;
- is capable of making investment decisions independently;
- fully understands and accepts the risks associated with investment activity.

Article 4. CRITERIA FOR RECOGNITION AS AN INFORMED INVESTOR

For recognition of a person as an Informed Investor, it shall be sufficient to satisfy at least one of the criteria listed below, unless otherwise provided by law.

4.1. Knowledge criterion (testing)
The Client has successfully completed the Company's investment knowledge assessment system, namely:

- has passed the first five (5) testing levels;
- has made no more than two (2) mistakes at each level;
- the testing covered key aspects: financial instruments, market risks, margin mechanisms, derivative instruments and diversification principles.

The testing results shall be stored in the Company's information systems.

4.2. Financial standing criterion
The Client confirms:

a. that it has substantial assets with a value exceeding GEL 3 million,
b. that during the last four quarters it has carried out at least 10 transactions per quarter, the total value of which shall amount to at least GEL 200,000,
c. that the value of the Client's asset portfolio, which for the purposes of this subsection includes securities/financial instruments and bank deposits, amounts to at least GEL 1,000,000,

by means of one or more of the following documents:

- bank account statement;
- brokerage and/or custodial account statement;
- document confirming the value of the investment portfolio.

4.3. Income criterion
The Client's annual income during the last 3 years must exceed GEL 200,000. In confirmation thereof, the Client shall provide:

- tax returns for the last three (3) years, or
- a certificate from the place of employment indicating the amount of annual income for the last three years.

In relation to individual entrepreneurs, net income after deduction of expenses related to entrepreneurial activity shall be taken into account.

4.4. Professional experience criterion

The Client confirms work experience in the financial sector of at least one (1) year in a position requiring knowledge in the field of:

- investment services;
- transactions in financial instruments;
- trading operations and/or risk management.

Confirmation may include a certificate from the place of employment, job description, employment contract or other official documents.

4.5. Other relevant circumstances
The Company shall be entitled to take into account other relevant circumstances, including, but not limited to:

- the Client's trading history;
- the volume and frequency of transactions;
- the level of education;
- the existence of the status of experienced or informed investor granted by a regulated financial institution in a foreign jurisdiction.

4.6. Criteria for recognition of a legal entity as an Informed Investor
A legal entity shall be recognised as an Informed Investor if it meets one of the following criteria established by Order No. 223/04 of the President of the National Bank of Georgia:

- the legal entity is a financial organisation, including a foreign licensed or regulated financial organisation, or an international financial organisation;
- the amount of the legal entity's equity capital, calculated in accordance with IFRS, exceeds GEL 1,000,000 (one million);
- the legal entity is a state authority of Georgia or a foreign state, autonomous republic or municipality, including a body authorised to manage public debt, or a central bank;
- the legal entity acts in the name of or for the benefit of a pension scheme.

Such legal entities shall be recognised as Informed Investors automatically, without carrying out any assessment, testing or application of the Company's internal criteria, and shall be entitled to request service as a non-informed (retail) client.

Article 5. PROCEDURE FOR RECOGNITION AS AN INFORMED INVESTOR

5.1. The Client shall submit a request for granting the status of Informed Investor through the Company's Personal Account.

5.2. The request shall be deemed submitted after:

- completion of the on-screen form in the Personal Account;
- confirmation of the request by means of a one-time SMS code.

Submission of a separate written form or signed application shall not be required.

5.3. The Company shall analyse the information and documents submitted, as well as assess the testing results and the Client's compliance with the established criteria.

5.4. Before granting the status, the Company shall be obliged to:

- notify the Client of the reduction in the level of regulatory protection;
- obtain the Client's consent to the relevant consequences;
- record the decision taken in all internal systems and records.

Article 6. MONITORING AND PERIODIC REVIEW OF STATUS

6.1. The Informed Investor shall be obliged to inform the Company without delay of any circumstances that may affect its status.

6.2. The Company shall carry out a periodic review of the Informed Investor status at least once every three (3) years, in particular in cases where:

- the Client's trading and/or investment activity does not meet the minimum volumes established by the Order of the National Bank of Georgia;
- there is no sufficient level of market activity or involvement of the Client.

6.3. Following the results of the review, the Company shall be entitled to:

- retain the status of Informed Investor;
- change the Client's category;
- upon the Client's request, apply the service regime of a non-informed (retail) client in respect of individual portfolios.

Article 7. FINAL PROVISIONS

7.1. This Procedure is an Appendix to the **CLIENT SERVICE REGULATIONS** of Rioni Capital Brokerage Company and an integral part thereof.

7.2. This Procedure shall be subject to review in the event of changes in legislation or in the requirements of the National Bank of Georgia.