Appendix No. **33**
to the Client Service Regulations
Approved by Order No. **01-19**
of the Director of **Rioni Capital LLC**
________________________ Badri Gobechia
dated *09 August* **202***5*

Brokerage Company "Rioni Capital"

POLICY

on Inactive Accounts and Accounts of Deceased Clients

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1. Introduction

1.1. This Policy on Inactive Accounts and Accounts of Deceased Clients (hereinafter, the "Policy") of Rioni Capital Brokerage Company has been developed in accordance with the requirements and/or obligations established by the normative acts of the National Bank of Georgia (NBG), the applicable legislation of Georgia, as well as taking into account the principles provided for by European Union Directives 2014/65/EU (MiFID II), with regard to the management and protection of client assets.

1.2. Rioni Capital Brokerage Company (hereinafter, the "Company") has developed and implemented this Policy in order to ensure proper accounting, administration and protection of client assets held in inactive accounts and accounts of deceased clients, as an integral part of the Client Service Regulations.
The Company ensures clients' access to the text of this Policy on the official website at https://rioni-capital.ge/ru/documents

1.3. The Company reserves the right to amend this Policy at any time if such amendments are required:

- **a.** in connection with changes in legislation or normative acts;
- **b.** by instruction of the National Bank of Georgia;
- **c.** or in other cases where the Company considers such amendments necessary to ensure compliance with the principles of proper management of client assets.

2. Definitions

2.1. Inactive Account (Dormant account) means an account in respect of which there has been no trading or deposit activity for a certain period, except for the accrual of interest. Details are provided in Chapter 4 of this Policy.

2.2. Trading activity means, for additional information, see Articles 4.3 and 4.4 of this Policy.

2.3. Deceased Client Account / Estate Account means a Brokerage Account belonging to a deceased person, which is transferred by the Company to Deceased Account status upon receipt of official confirmation of the Client's death and is blocked until completion of the inheritance procedure and transfer of assets to the heirs or the executor of the will.

3. Scope and Purpose

3.1. The purpose of this Policy is to establish:

- the definition of a Dormant Account and an Estate Account;
- the period and criteria used for classification of client accounts;
- the procedure for identification, notification, reactivation, freezing or closure of such accounts;
- the principles of protection of the assets of clients and heirs in accordance with applicable law.

4. Definition of the Type of Inactive Account and General Principles

4.1. For the purposes of this Policy, an account shall be considered inactive (Dormant account) if one of the following conditions is met:

- the account has a zero credit balance for twelve (12) calendar months; or

- the account has been open for more than twelve (12) calendar months, and during this period no trading or deposit transaction has been carried out on the initiative of or on the instruction of the account holder.

4.2. For the purposes of this Policy, an account shall be recognised as a Deceased Client Account (Deceased Account) if one of the following conditions is met:
- there have been no transactions on the account for eighteen (18) calendar months, and all attempts by the Company to contact the client using the available contact details have been unsuccessful; or
- the Company has received from the heirs or from the executor of the will a copy of the Client's Death Certificate; or
- information about the client's death has become available to the Company from official information sources (for example: state registers, notarial databases, public notices, court acts).

4.3. For the purposes of this Policy, the term "trading activity (Trading activities)" means transactions involving the purchase and/or sale of financial instruments, such as shares, bonds, currencies and commodities, as well as non-trading operations affecting the account balance: deposits, withdrawals, receipt or withdrawal of assets.

4.4. The Company shall not regard as trading activity the crediting to the account of promo shares granted to the client as appreciation for opening a brokerage account. However, the Company shall regard as trading activity:
- any transaction carried out by the client with the said promo shares,
- any transaction with cash received as a result of their sale.

Thus, all transactions related to promo shares or funds received from their sale prevent the client's account from being recognised as inactive.
At the same time, the initial receipt and passive holding of such shares without any further actions may lead to classification of the account as inactive.

4.5. The Company shall not consider a client's account inactive if the absence of activity is caused by actions of the Company itself related to a Compliance investigation.

4.6. In addition, a client's account shall not be recognised as inactive in the following cases:
- if the account holder maintains communication with the Company for any reason (for example, an open complaint, an active request, participation in training, etc.);
- if, in accordance with the requirements of applicable law, the Company has suspended deposit/withdrawal transactions or trading within the framework of Compliance or AML checks, or such actions are subject to a penalty or other restriction;
- if the account holder has a Discretionary Management Account with the Company and the Company maintains direct communication with the account holder.

5. Procedure for Classification of Inactive Accounts

5.1. On an ongoing basis, the Company carries out review and identification of accounts with respect to which:
- there is a zero credit balance, and/or
- there has been no trading and deposit activity during the last 12 months.

The period of inactivity may vary slightly for technical reasons or at the Company's discretion. Demo accounts, as well as accounts without completed registration, are not included in the monitoring process for inactive accounts.

5.2. After 90 calendar days (or more) from the date of account opening, if the account shows a zero balance and absence of trading/deposit activity, the Company shall send the client a notice stating that the account may be classified as inactive (Dormant).

Notices are sent by e-mail, through the client's personal account, or through other permitted communication channels.

5.3. Clients showing no activity shall be sent three consecutive notices:
- the first letter on the 90th day of inactivity;
- the first reminder 5 days after the first letter;
- the second reminder another 5 days after the first reminder.

5.4. After receipt of the last notice, the client must choose one of the following courses of action:
- Fund the account and/or carry out any trading transaction;
- Respond to the notice by providing instructions regarding the future status of the account.

5.5. The client's response must be sent exclusively through the Company's official communication channels, namely:
- through the trading platform or the client's Personal Account, or
- by e-mail to **clients@rioni-capital.ge**.

The client may request activation of the account or its closure.

5.6. In the event that the client requests the Company to close an inactive account, the compliance control department shall confirm that all information on the client's account complies with KYC and due diligence requirements. The client's assets shall be returned to the bank account indicated in the client due diligence documents, or to the bank account from which the last funding was made, or to another known, unblocked and Company-verified account of the client.

5.7. Upon closure of the account, the Company shall accrue and deduct all applicable fees in accordance with the Regulations (General Terms of Business).

5.8. The status "Inactive Account (Dormant Account)" shall be assigned to accounts in respect of which:
- there is a zero balance and/or
- there has been no trading and deposit activity during the last 12 months, and at the same time 9 months have passed since the first notice was sent to the client.

5.9. The status "Deceased Client Account / Estate Account (Deceased Account / Estate Account)" shall be assigned to accounts in respect of which:
- the status "Inactive Account (Dormant Account)" has existed for more than 6 months and none of the Company's contacts has received a response during the last 10 days; or
- the heir(s) or the executor of the will has submitted the Client's Death Certificate to the Company, in which case the Deceased Client Account status shall be assigned to the account on the next business day after receipt of the Death Certificate;
- official information about the Client's death has become available to the Company, in which case the Deceased Client Account status shall be assigned to the account on the next business day after receipt of the information about the Client's death.

5.10. In the event that the Company receives official notice of the Client's death (a copy of the death certificate, a court decision or another proper document), all transactions on the Client's accounts shall be suspended immediately.

5.11. The Company shall record the composition and market value of the Client's assets as of the date of receipt of the notice. The data shall be used exclusively for inheritance formalities and reporting purposes.

5.12. If the market situation creates a risk of substantial depreciation of assets (for example, high volatility, margin obligations, risk of issuer default), the Company shall be entitled to sell individual assets or the Client's entire portfolio solely for the purpose of preserving their value.

5.13. The Company must take all reasonable steps to protect the property interests of the heirs. Such actions are qualified as protective measures within the meaning of Article 1376 of the Civil Code of Georgia and are carried out in the interests of the heirs. The Company undertakes to document the circumstances and grounds for each transaction, including market quotations, date and time of sale, and also to notify the notary or other authorised representative of the estate.

5.14. All cash held in the Client's accounts or received from the sale of assets shall be subject to immediate blocking (freezing) until the heirs enter into ownership rights in the prescribed manner. During this period, the Company shall not be entitled to make deductions or transfers, except in cases expressly provided for by law (for example, by court decision or at the request of an authorised body).

5.15. The Company shall act in good faith and reasonably, guided by the principle of best interest of the heirs, as established in European practice (MiFID II, Recital 87).

5.16. Any actions of the Company aimed at preserving the value of assets shall not be considered asset management or investment activity for commercial purposes. The Company shall provide the notary (or other competent authority) with a report on the transactions carried out and the current status of funds in the accounts of the deceased Client.

5.17. If trading or non-trading activity is recorded on one of the related accounts (BA/DMA), or there are communications with the client, the client's other accounts may not be recognised as inactive.

6. Fees and Charges

6.1. The Company shall not charge any fees or charges solely because an account has been classified as Inactive or as a Deceased Client Account.

6.2. All fees and charges related to the functioning of an Inactive Account or a Deceased Client Account, including but not limited to:

- brokerage service fees,
- asset custody fees,
- margin transaction fees,
- charges for additional services,
- account closure fees

shall be accrued and deducted at the time of account closure or upon transfer of assets to the heirs.

7. Reactivation of an Inactive Account

7.1. In order to reactivate an inactive account (Dormant Account), the client must contact the Company and communicate the intention to restore activity on the trading account.

7.2. An inactive client account may be reactivated provided that the client submits all necessary KYC documents and other relevant information required in accordance with the Company's KYC procedures.

7.3. After verification and confirmation of all information, the client must perform at least one of the following actions:

1. deposit funds into the account;
2. carry out a trading transaction;
3. open or close a position.

7.4. If the said actions are not performed by the client within 90 days after commencement of the reactivation procedure, the Company reserves the right to maintain the account status as inactive (Dormant) until the Client reapplies.

8. Closure of an Inactive Account

8.1. An inactive account (Dormant Account) shall be closed upon the written request of the client. If the client has not sent an explicit request to close the trading account, such account shall remain in inactive status.

8.2. At the same time, in the absence of a response from the client, the Company reserves the right to close the client's inactive account.

The assets held in the inactive account remain the property of the client, and the Company undertakes to maintain internal accounting and back-office records and return them to the client upon first demand at any time after closure of the account.

9. Closure of the Deceased Client Account

9.1. A deceased client account (hereinafter, the Estate Account) shall be closed upon the written request of the heirs, the executor of the will or another lawful representative of the estate, subject to the existence of:

- **a.** a notary's order on entry into inheritance rights, or
- **b.** an effective court decision recognising inheritance rights.

9.2. The heirs or the executor of the will shall submit to the Company a written instruction containing one of the following orders:

- **a.** for transfer (distribution) of the inherited assets in kind — cash and securities — specifying the financial institutions and account details for transfer; or
- **b.** for the sale of all or part of the assets and transfer of the cash funds to the heirs' bank accounts in accordance with the notary's or court's decision.

9.3. Upon receipt of the supporting documents, the Company shall:

- verify the authority of the applicants and the authenticity of notarial acts;
- execute the instruction for transfer or sale of assets within up to 10 business days;
- record all transactions and provide a report to the authorised notary or other authorised representative.

9.4. Prior to closure of the account and withdrawal of assets, the Company shall deduct all accrued but unpaid fees, remuneration and expenses in accordance with the Company's current Tariff Plan.

9.5. In the event of insufficient cash in the account to discharge the indebtedness to the Company, the latter shall have the right to sell part or all of the deceased Client's assets in the amount necessary to compensate the said expenses.

9.6. Such actions are carried out within the framework of protective measures provided for by Article 1376 of the Civil Code of Georgia and shall not be regarded as use of assets for commercial purposes.

9.7. After execution of all instructions and settlements, the Company shall close the deceased Client's account and provide the notary with a final statement including:
- the list of assets as of the date of death;
- information on realised assets and deducted fees;
- the final amount subject to distribution to the heirs.

10. Review of the Policy

10.1. This Policy shall be subject to annual review:

a. at least once a year, within the framework of the scheduled internal audit and assessment of the effectiveness of the Company's procedures; and

b. out of schedule, in cases where:
- material changes occur in the legislation of Georgia, the normative acts of the National Bank of Georgia or international standards (MiFID II, FINRA, FATF, etc.);
- amendments are made to the Company's internal procedures affecting the management of client assets, custody and classification of accounts;

10.2. All updated versions of the Policy shall be published on the Company's official website https://rioni-capital.ge/ru/documents no later than five (5) business days from the date of their approval.