Appendix No. **9**
to the Client Service Regulations

Brokerage Company “Rioni Capital”

DECLARATION

on Risks Related to the Execution of Securities Lending Transactions

TBILISI
2025

This Declaration on Risks Related to the Execution of Securities Lending Transactions (hereinafter – the Declaration) constitutes an appendix to and an integral part of the Client Service Regulations (hereinafter – the "Regulations") of the brokerage company "Rioni Capital" (hereinafter – the Company).

This Declaration describes the risks related to execution of securities lending transactions. At the same time, this Declaration does not cover all possible risks related to securities lending transactions, since various situations may arise in the course of such transactions, and provides the Client only with a general understanding thereof.
The purpose of this Declaration is to warn the Client about possible losses related to execution of securities lending transactions.

In general, risk represents the possibility of loss arising in the course of execution of securities lending transactions as a result of the possible adverse impact of various factors.
Below are the main risks associated with securities lending transactions to be executed by the Client.

When executing securities lending transactions, the Client is exposed to all possible risks described in the Declaration on General Risks Related to Execution of Operations on the Securities Market, including systemic risk, market risk and its types, liquidity risk, credit risk, legal risk, operational risk and others. Each of the above risks, as well as their combination, may result in significant losses.
Special attention should be paid to the following risks:

1. **Counterparty risk**
   The Broker executes securities lending transactions only through professional counterparties, including prime brokers, custodians, clearing organizations or licensed SBL (stock borrow & lending) providers.
   These organizations assume responsibility towards the Broker for the return of securities.
   The Client agrees that:
   - the borrowing counterparty has the right to recall securities prior to maturity (Recall), which may result in early termination of the lending transaction;
   - in certain cases, in the event of delay in the return of securities, the exchange or clearing organization may apply a Buy-In procedure;
   - the Broker does not guarantee that, as of the securities return date, there will be sufficient liquidity on the market to repurchase identical securities, which may result in a delay in their return;
   - corporate actions performed on securities transferred on loan may be executed in the form of monetary compensation (Manufactured Dividend) rather than in kind;
   - in the event of borrower default, the Broker uses the existing collateral to return securities to the Client; at the same time, delays related to realization of collateral are possible.

   The Broker is responsible for the selection of a professional counterparty and proper execution of operations; however, it cannot exclude infrastructural delays, corporate actions or risks related to mandatory return of securities by the counterparty.

2. **Risk of inability to exercise rights attached to securities**
   This risk includes the possibility of failure to exercise rights arising from securities, including the right to receive dividends, the right to participate in a general meeting of shareholders, the right to participate in redemption of securities by a joint-stock company, and other rights.
   At the same time, in most cases during the lending period the Client may receive compensation for corporate actions in the form of a monetary equivalent (Manufactured Dividend).

3. **Early recall risk (Recall Risk)**
   The borrowing counterparty may recall securities prior to maturity.
   The Client should take into account that the securities lending period may prove to be shorter than expected, which may result in a decrease in expected income.

4. **Temporary unavailability risk (Unavailability Risk)**
   Securities transferred on loan are unavailable for sale until the completion of the lending transaction, which may result in losses or unrealized profit, since the Client is unable to sell such securities during the lending period.

5. **Borrower default risk (Counterparty Default Risk)**
   If the borrower fails to return the securities, the Broker carries out realization of collateral, as a result of which temporary delays in the return of securities may occur.

6. **Market volatility risk at the moment of securities return**
   If the value of securities has decreased as of the return date, such loss is not compensated to the Client, since the market price is formed independently.

7. **Counterparty liquidity risk**
   This risk is related to untimely performance by the counterparty of its obligations towards the Client due to market conditions (thin liquidity) or in the event of an unexpected need for immediate and simultaneous fulfillment by the counterparty of its financial obligations.

This Declaration is not intended to force the Client to refuse relations with the Broker, but is intended to assist the Client in assessing risks and responsibly approaching the terms of the agreement concluded between the Client and Rioni Capital.
The Client must ensure that the above information is clear and, if necessary, obtain clarification from Rioni Capital or from a consultant specializing in the relevant matters.