Invia Investments CJSC
Statement on Possible Customer Risks Associated with Operations in the Financial Market

STATEMENT ON POSSIBLE CUSTOMER RISKS ASSOCIATED WITH OPERATIONS IN THE FINANCIAL MARKET

1. The Statement on possible risks for the client in the course of activities in the financial market (hereinafter referred to as the "Declaration") includes a description of the risks that may arise in the course of activities in the financial market:
2. The terms used in the Statement shall have the meaning defined by and used in the RA Law on Securities Market, other laws and normative legal acts and the Procedure for provision of brokerage services (hereinafter the Procedure) approved by Invia Investments CJSC (hereinafter the Company or the Broker) unless clearly and explicitly provided otherwise by the specific application of a particular concept. In the interpretation of the provisions contained herein, the concepts set forth in the Procedure shall prevail.
3. Other terms used herein, but not defined in the legal acts referred to in Paragraph 2 of the Statement, shall be interpreted in the light of customary business practice and international experience.
4. The Customer confirms that he/she has reviewed the Statement by signing the Brokerage Services and Brokerage Account Agreement with the Company. The Customer is aware of and acknowledges the potential risks related to the operations in the financial instruments market, as well as other risks that may arise from investments in financial instruments
5. For the purposes of this Statement, the concept of "risks" arising from financial instrument market activities includes the possibility of the occurrence of specific cases, situations or processes that may result or lead to the loss of customer assets. In general, risk refers to the potential for losses in financial transactions due to various adverse factors. It is essential for clients to evaluate the risks associated with financial instruments intended for professional clients. Financial instruments designated for professional clients typically entail elevated investment risks and may not be suitable for every professional client.
6. Due to the variety of cases, situations, and processes referred to in Paragraph 5 of the Statement, the risks listed in the Statement are not exhaustive and do not disclose the entire information on the risks associated with investing in the financial instruments market. The purpose of the Statement is to assist the Customer in understanding the risks associated with investing in the financial instruments market, determining the level of risk acceptance and conducting a genuine evaluation of its own financial capacity and goals.
7. The purpose of the Statement is not to urge the Customer to refuse to invest in the securities market, but to help the Customer properly assess the risks of the field and give responsible consideration to the definition of the investment strategy.

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8. The Company does not guarantee the Customer's income from transactions executed in the financial instruments market based on the Customer's orders. The Customer independently decides on the choice of transactions and investment strategy in the financial instruments market.
9. Transactions in the financial instruments market can lead to financial losses. Past experience and expertise do not guarantee future financial performance. The financial success of others does not guarantee the same results for the Customer.
10. Even relatively small fluctuations in the exchange rate during margin trading can have a significant impact on the Customer's trading account due to leverage effect. Unfavorable changes in the market may cause losses in the amount exceeding the amount originally credited to the brokerage account, or any additional amounts that may be credited to the account to maintain open positions.
11. The Customer shall bear full responsibility for risk assessment, use of financial resources and choice of financial strategy.

Description of investment risks

By type of relation between the investor and the source of risk:

- direct - the source of risk and the investor are directly linked by legal relationship,
- mediated - the source of risk and the investor are not directly linked by legal relationship, however, the emergence of unfavorable circumstances at the source of risk brings with it a series of events, ultimately leading to the loss of the investor's funds and/or income.

By risk factors:

- Economic - Risk of adverse economic developments. The noteworthy economic risks include losses incurred by the investor due to interest rate and failure to fulfill obligations by partner, for instance, default, insolvency of the acquirer or issuer of securities, insolvency of the bank, etc.
- Insolvency of the issuer of securities

  It is manifested by a sharp drop in the price of shares of a joint-stock company recognized as insolvent or by the prediction of such insolvency. In order to reduce the market risk, the client should carefully consider the selection and diversification of financial instruments. In addition, the client should carefully familiarize himself with the terms of the client's interaction with the broker in order to assess the costs that will be associated with the

ownership and operations of financial instruments and make sure that they are acceptable to the client and do not deprive the client of the income expected by the client.

- Legal change risk - Incurrence of possible losses from investments in securities due to the adoption of new legislation or changes in major legislative acts (including tax-related acts). Legislative risk also includes the possibility of losses due to the absence of normative legal acts regulating the activity of the securities market.
- Socio-political – Risk of radical political and economic changes in the country (especially change of political leadership and other bodies), risk of social instability (including strikes), risk of hostilities, risk of nationalization of enterprises, risk of government interference in the activities of controlled enterprises and natural monopolies (including by tariff regulation).
- Criminal – Risk of illegal actions, such as forgery of securities issued in paper form, fraud, unauthorized access to computer systems, etc. For the investor, this is a mediated risk.
- Operational (technical, technological, human resources risks) – Risk of direct or indirect losses due to malfunctions of information, electrical or other systems or imperfect market infrastructure (including operations technology, management, accounting, control processes or acts or omissions of personnel). Operational risks are grouped as follows:

- information risks,
- risks of using electronic and communication systems,
- risks related to nominal securities accounting system,
- risks related to the use of the software

The Client should pay attention that when submitting orders using the software (if the functionality of the software provides such an opportunity), the Client independently forms and enters the order into the software, if the Client decides to cancel the order, the Client must independently cancel the order in the software.

The risks described below apply equally to both the "Invia Investments System" and any other Software, which, among other things, can be used by the Client in accordance with the Regulations and/or Appendices thereto.

I. Technical risks (risks of failures/malfunctions in the operation of software, equipment):

The client must take into account that when working with the software, there are risks of unstable software operation, software failures, unstable internet operation, energy saving, problems with communication channels, hardware failures, other technical malfunctions and failures.

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In addition, when working with the software, there is a risk of errors in the time of order submission, including incorrect display of the time zone or local time in the software itself, the risk of data transmission delays and other risks.

As a result of these risks, the Client may be deprived of the opportunity to submit an order through the Software for a certain time, or the order to the Exchange's trading system may not be submitted by the Broker, the order may not be executed (partially or completely) or executed not in accordance with the Client's instructions.

The Client must take into account that the Broker is not responsible for the above risks and does not eliminate malfunctions caused by the fault of the telecom operator or in connection with the failure of equipment installed at the Client, as well as in connection with failures in all systems, communication lines through which information passes between the Broker's server and the workstation, according to the Client.

II. Risks of confidentiality violation

When working with the Software, including when submitting orders through the Software, the Client must understand that he assumes all risks associated with unauthorized entry of third parties into the System and other software, as well as into external software used by the Client, other confidentiality violations that occurred through no fault of the Broker.

When agreeing to transfer information via the Internet, including in the Client's Personal Account, the Client must be aware that the Internet is not a secure communication channel, and must take into account that he bears all the risks associated with a possible violation of confidentiality arising from the use of such a communication channel.

III. The risk of making unprofitable transactions when submission of orders is in automatic mode

The Client must take into account that when choosing the wrong investment strategy, there is a risk of making a large number of transactions that are unprofitable for the Client (unprofitable transactions), including the case when the functionality of the software provided by the Broker and/or software used by the Client independently allows the Client to ensure that, according to his will, orders are submitted automatically.

IV. Risks associated with the peculiarities of the functioning of the trading systems of the trade organizer, the execution of transactions at the auction

The client must take into account that when performing trading operations at organized auctions, there is a risk of failures in the operation of the software and/or equipment of the trade organizer (Exchange) itself (failures in the trading systems of the trade organizer). These failures can be caused by various factors, such as software malfunctions, hardware failures, functional errors, and other unforeseen situations, including those involving the suspension of trading for an indefinite time.

At the same time, the Broker is not responsible for failures in the operation of the software and/or equipment of the trade organizer, other persons ensuring the functioning and conduct of organized trades and settlements on them (trade organizers, clearing organizations, settlement depositories, technical centers and other third parties), and also is not responsible for the losses of the Client, which they may occur as a result of these failures, including if, as a result of such a failure, the Client is deprived of the opportunity to send/cancel/correct the submitted application (including through the Software), or if the Client receives distorted and/or incorrect information from these persons (trade organizers, clearing organizations, settlement depositories, technical centers and other third parties).

The client must take into account that when realizing this risk, in the case of a client submitting an application that does not contain a price (containing an indication of concluding a transaction at any price prevailing at the time of execution of the application at the Auction of the relevant trade organizer (Exchange) – an Order "at the market price"), taking into account the specifics of the procedure for concluding transactions at the Auction, there is a risk of execution of the relevant order at a price significantly different from the price preceding the time of submission of the relevant application for the transaction, as a result of which the Client may incur a loss.

The Broker is not responsible for the specified losses of the Client and does not reimburse them.

The Client needs to understand that when signing an appropriate agreement with the Broker to grant the Client a non-exclusive right to use the Software, the list of risks that the Client accepts when signing such an agreement may be expanded. By signing the agreement, the Client hereby fully confirms that the specified risks have been brought to his attention and the Client has decided that they are acceptable to him.

- man-made – risks arising from human activities, such as accidents, fires, etc.
- natural – risks that do not depend on human activity, such as natural disasters - earthquakes, floods, hurricanes, etc.

<u>Risks associated with the use of the broker in their own interests, the Client's funds and (or) securities</u>

Granting the Broker the right to use the Client's funds and (or) securities for Broker's benefit is not suitable for all Clients, since it involves additional risks and requires an assessment of whether the Client is ready to bear them. The Client should take into account that the risks associated with the Broker's use of the Client's funds and (or) securities in their interests may be significant. In connection with this, the Client should assess the acceptability of granting the right to use the Broker's funds and (or) securities of the Client

in their interests, including from the point of view of his investment goals and financial capabilities.

I. The risk of non-fulfillment of obligations to the Client by the Broker.

When accounting for the Client's means (funds, securities, etc.)together with the means of other Clients who have granted the Broker the right to use their means, there is a risk of using the Client's funds and securities to fulfill the obligations of other Clients, including by selling securities without the Client's instructions (even if the Client himself does not and does not plan to make margin and unsecured transactions). There is a risk of complete or partial loss of means, which is accounted for together with the means of other Clients, in case of bankruptcy of the Broker.

By type of financial instrument:

- **Shares** – Regular trading operations with shares of companies are considered limited-risk transactions, i.e. the risk of loss to the Customer is limited to the amount spent by the Customer on the share transaction. However, it should be borne in mind that under certain circumstances, losses can originate in a relatively short period of time. In particular, there are financial risks in the stock market which are risks of real loss arising from financial transactions due to unfavorable market changes. Financial risks include currency risk, liquidity risk, price risk, issuer insolvency risk.
- **Futures** - Investing in futures is associated with a risk of losing large sums of money in a short period of time, and the amount of possible loss can be unlimited and exceed the amount initially credited to the account opened with the Bank. The reason is that trading in futures involves an opportunity to open a position on high value assets against relatively small amounts which creates both an opportunity to earn more money with less resources and a risk to lose an incomparably larger sum of money than the amount invested. If doubts exist as to whether it will be possible to manage all the above risks, it is recommended refraining from trading in securities futures.
- **Options** - Options are also ranked as risky financial instruments, and the investments and transactions in options are also associated with risks. The risks involved in trading in options presuppose a possibility of incurring substantial losses in a short period of time. The person having entered an option agreement may lose the entire amount paid for the purchased call or put option in a brief space of time or incur unlimited losses as a result of the short sale of the option. This risk lies in the nature of the option, which is a depreciable asset with a limited validity period upon the expiry of which the option may completely lose its value.
- **Bonds** – Bond is seen as an investment involving a relatively low level of risk, however, like all financial market instruments, it also contains key risks inherent in its operation, such as:

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Market risk, Issuer insolvency risk, Liquidity risk and other risks.

- **CFD** (Contract for Difference) – CFDs are also ranked as risky financial instruments, and the investments and transactions in CFDs are also associated with risks. The risks involved in trading in CFDs presuppose a possibility of incurring substantial losses in a short period of time. The person having entered a CFD agreement may lose the entire amount invested into the purchased CFD in a brief space of time. This risk lies in the nature of the CFD.

  Margin transaction:

  a standardized or non-standardized (with leverage, including ForEx) derivative financial transaction, the profitability of which is the possibility of concluding a transaction if there is an amount significantly less than the amount required to complete the transaction:

  These deals are not suitable for all clients. Regulations limit the risks of clients on margin and uncovered transactions, including by regulating the maximum "leverage" — the ratio of the client's obligations for transactions concluded in his interests and the client's property intended for transactions in accordance with the Regulations.

  I. Market risk

  When agreeing to make margin and/or uncovered transactions, the Client must take into account the fact that the amount of losses in case of unfavorable market movement for the Client's portfolio/sub-portfolio increases with an increase in leverage.

  In addition to the general market risk borne by the Client performing transactions in the securities market, the Client, in the case of margin and/or uncovered transactions, will bear the risk of adverse price changes both in respect of securities, as a result of the acquisition of which an uncovered position arose or increased, and the risk in respect of assets that serve as collateral. At the same time, if an uncovered position arose or increased as a result of the sale of securities, the amount of losses is unlimited — the Client will be obliged to return (transfer) securities to the Broker regardless of changes in their value.

  When making margin and/or uncovered transactions, the Client should take into account that the ability to dispose of assets that are collateral for such transactions is limited.

  The property (part of the property) belonging to the Client, as a result of a margin and/or uncovered transaction, is a collateral for the fulfillment of the Client's obligations to the Broker and the possibility of disposing of it may be limited up to a complete prohibition of making any transactions with him. The amount of collateral is changed in accordance with the procedure provided for in the Regulations, and as a result, the Client may be limited in the ability to dispose of his property to a greater extent than before the margin and/or uncovered transaction.

  It is also necessary to take into account the possibility of forcibly closing a position. An unfavorable price change may lead to the need to make additional funds in order to bring

the security in line with the requirements of regulations and Regulations, which must be done in a short time, which may not be sufficient for the Client. The Regulations and terms of the Regulations allow the Broker to "forcibly close a position" without the consent of the Client, that is, to purchase securities at the expense of the Client's funds, or to sell the Client's securities. This can be done at existing, including unprofitable, prices and lead to losses for the Client.

The forced closure of a position may be caused by sharp fluctuations in market prices, which led to a decrease in the value of the Client's portfolio/sub-portfolio below the minimum margin.

The forced closure of a position may be caused by the requirements of regulatory acts or by the Broker unilaterally making changes to the list of liquid securities that can be collateral for uncovered positions.

Forced closure may also be caused by a change in the values of risk rates calculated by the clearing organization and (or) used by the Broker, due to an increase in the volatility of the relevant securities. In all these cases, the forced closure of a position may cause significant losses to the Client, despite the fact that after closing the position, the price change in financial instruments may take a favorable direction for the Client, and the Client would have received income if the Client's position had not been closed. The amount of these losses, under adverse circumstances, may exceed the value of the assets in the Client's portfolio/sub-portfolio.

II. Liquidity risk

If the value of the uncovered position on individual securities is significant in comparison with the volume of the corresponding securities in free circulation and (or) in comparison with the volume of trading on an organized market, the liquidity risk increases when making a margin and/or uncovered transaction. Difficulties in acquiring or selling assets can lead to increased losses compared to conventional transactions. Similarly, it is necessary to take into account the increasing liquidity risk if the security of the Client's uncovered position is securities and the sale of a significant number of securities may be required to close the uncovered position.

The Client's orders aimed at limiting losses may not always limit losses to the expected level, since within the framework of the current market situation, it may not be possible to execute such an order at the price specified by the Client.

Margin, leveraged transactions, including leveraged ForEx transactions, have high risk, and the conclusion of these transactions is suitable only for clients who are ready to take the risk of losing their pre-invested security amount (margin). The Client should realize that these

transactions are characterized by significant price fluctuations, as a result of which the Client may both receive high incomes and suffer significant losses compared to his lost investment.

FOREIGN SECURITIES

For the purposes of this Declaration, foreign securities are understood to be securities of foreign issuers, as well as securities of foreign issuers qualified as bonds and denominated in a currency that is foreign to the issuer of the bonds (Eurobonds).

Transactions with foreign securities have common risks associated with operations on the securities market with the following features.

Systemic risks

The level of systemic risk can be influenced by many other factors, including the likelihood of restrictions on investments in certain sectors of the economy or the likelihood of a simultaneous devaluation of the national currency.

The generally accepted integral assessment of the systemic risk of investments in a foreign security is a "sovereign rating" in foreign or national currency assigned to the country in which the issuer is registered by the international rating agencies MOODY'S, STANDARD & POOR'S, FITCH IBCA, however, it should be borne in mind that ratings are only benchmarks and may not be used at a particular moment match the real situation.

In the case of transactions with foreign depositary receipts, in addition to the risks associated with the issuer of the receipts themselves, it is necessary to take into account the risks associated with the issuer of the foreign securities represented by these receipts.

Legal risks

When purchasing foreign securities, it is necessary to be aware that they are not always analogues of Armenian securities (securities of Armenian issuers). In any case, the rights granted under them and the rules for their implementation may differ significantly from the rights under Armenian securities.

The possibilities of judicial protection of rights in foreign securities may be significantly limited by the need to apply to foreign judicial and law enforcement agencies according to established rules, which may differ significantly from those in force in Armenia. In addition, in most cases, when dealing with foreign securities, the Client will not be able to rely on the protection of his rights and legitimate interests by Armenian authorized bodies.

Disclosure of information

Armenian legislation allows disclosure of information in relation to foreign securities according to the rules in force abroad and in a foreign language, including English. The Client should assess his willingness to analyze information in a foreign language, as well as whether the Client understands the differences between the financial reporting rules adopted in the Republic of

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Armenia, International Financial Reporting Standards or financial reporting rules, according to which information is published by the issuer of foreign securities.

Also, trade organizers and (or) brokers can translate some documents (information) disclosed by a foreign issuer for the convenience of the Client. In this case, the translation can be perceived solely as auxiliary information to officially disclosed documents (information) in a foreign language. The client should always take into account the possibility of translator errors, including those related to possible different translations of the same foreign words and phrases or the absence of a generally accepted Armenian equivalent.

Customer _____

(Name/Surname, Name of Entity) (Signature)