

## Risk Notification

### General Provisions

The purpose of this Risk Notification (hereinafter referred to as the Declaration) is to inform you about the main risks associated with transactions involving DFAs and other actions within the IS, and to alert you to potential losses that may arise due to the realization of these risks.

Please be aware that the Declaration does not disclose information about all risks associated with DFA transactions and other actions within the IS due to the variety of situations that may arise, and it does not serve as the Operator's recommendation on investment, tax, or legal matters.

By agreeing to the Regulations, you acknowledge your awareness of the risks described in the Declaration and express your consent to accept them.

All capitalized terms used in the text of the Declaration, whose content is not disclosed within it, shall be interpreted as defined in the Regulations of the Information System of Evrofinance Mosnarbank, available at <https://evrofinance.ru/finassets/docs/>.

### Types of Risks

In the Declaration, risk is defined as the possibility of a situation that may lead to the User experiencing:

- (1) a loss of part or all of their funds; and/or
- (2) a loss in value of some or all of their DFAs; and/or
- (3) changes in the rights and obligations of the User to their detriment.

I. **Credit risk** means the risk associated with non-performance (improper performance) or the impossibility of fulfilling obligations (hereinafter referred to as Default) undertaken by other parties towards the User, including, but not limited to:

- (1) **Issuer default risk** means the risk of Default of obligations undertaken by the Issuer in accordance with the DFA Issue Decision;
- (2) **Operator's default risk** means the risk of failure to fulfill obligations (Default) undertaken by the Operator according to the Regulations;

- (3) **Bank's default risk** means the risk of non-fulfillment of obligations assumed by the Bank under the bank account agreement, with the User being the client.

II. **Operational risk** means the risk arising from:

- (1) Malfunctions in software and hardware, communication networks, the User's power supply, as well as malfunctions in the technical equipment of the Operator and its partners;
- (2) Unauthorized transactions made in the IS by a third party on behalf of the User due to accidental or deliberate unauthorized access to the User's Personal Area;
- (3) The User conducting transactions in the User's Personal Area that do not match his/her intentions due to insufficient experience with the User's Personal Area, and/or as a result of accidental actions by the User;
- (4) The impossibility of sending expressions of will and other legally significant messages to the Operator due to technical reasons.

III. **Industry risk** means the risk caused by adverse developments within a specific industry where the Issuer conducts its primary financial and economic activities. The potential deterioration of conditions within the Issuer's industry may impact its operations and its ability to fulfill its DFA-related obligations, as well as affect the value of such DFAs.

IV. **Legal risk** means the risk associated with the application of legislation currently in force within the Russian Federation, including tax legislation, and the adoption, amendment, or repeal of existing legal acts of the Russian Federation, as well as the absence of legal regulations governing the DFA market. It is noted that DFAs, more than other financial instruments, are susceptible to legal risk as the regulatory framework of the DFA market is still being developed.

V. **Market risk** means the risk of incurring financial losses due to changes in the current (fair) value of DFAs owned by the User.

VI. **Liquidity risk** means the risk of a reduction in the ability to quickly transfer the DFAs owned by the User for an equivalent counter-provision (money, tangible goods, or property rights).

- VII. **Risk of failure to achieve investment goals** means the risk that arises when the User fails to achieve his/her investment goals. The Operator does not guarantee that the goals of capital preservation and/or increase sought by the User will be met. The User must be aware that he/she may lose some or all of the capital invested in DFAs and that he/she independently determine the terms and conditions of DFA transactions that best meet his/her goals and objectives, bearing full responsibility for his/her choices.
- VIII. **Country risk** means the risk that actions by public authorities will impact the User's income (including potential income), expenses, rights, and obligations. The operation of any company in Russia is subject to a variety of political and economic risks (risks related to changes in the political or economic situation in the Russian Federation). Any participant in the Russian DFA market could find themselves in a situation where, due to political or economic reasons, they are unable to adequately fulfill their DFA-certified obligations.
- IX. **Systemic risk** means the risk of an event occurring that negatively affects the entire financial market of either a single country or a group of countries due to the inability of one or more financial institutions to perform their functions. Nowadays, countries, financial organizations, and institutions are highly interconnected and interact extensively, a condition facilitated by globalization and universalization processes, as well as by the rapid transmission of data and information. While assessing systemic risk is challenging, its realization can significantly impact all financial market participants.