

# Base Prospectus

mentos

Dated 20.10.2022

## **SIA Mintos Finance No. 42**

*(incorporated as a limited liability company and registered in the Republic of Latvia with registration number 40203410257 and LEI: 984500KA46200UD3GE97)*

### **EUR 50 000 000.00 (fifty million euro) Note Programme**

Under this Programme, the Issuer may from time to time issue Notes denominated in any currency as determined by the Issuer. The Notes will be distributed by way of a public offer.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions applicable to the Notes and not contained in this Base Prospectus will be set out in the applicable Final Terms.

Notes will be issued in registered form. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 50 000 000.00 (fifty million euro) (or its equivalent in other currencies).

Any payment under the Notes is dependent on, and limited to, a pool of certain Loans.

This Base Prospectus has been approved as a base prospectus by the FCMC, as competent authority under the Prospectus Regulation. The FCMC has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the appropriateness and suitability of investing in the Notes. The public offer of the Notes is made only in Latvia under this Base Prospectus.

During the validity period of this Base Prospectus the Issuer plans to request that the FCMC provides competent authorities under the Prospectus Regulation in Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden with a certificate of approval attesting that this Base Prospectus has been drawn up following the Prospectus Regulation. When such a certificate shall be obtained it will be permitted to make the public offer under this Base Prospectus in other Member States, and the Issuer shall ensure that Mintos provides information about it on the Platform. Such certificate, if and when received, should not be considered as an endorsement of the Issuer or the quality of the Notes.

This Base Prospectus will be valid for a period of up to 12 months after its approval by the FCMC. In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. The obligation to prepare a supplement to this Base Prospectus or publish a new Base Prospectus in the event of any significant new factor, material mistake or inaccuracy will cease to apply upon the expiry of the validity period of this Base Prospectus.

**The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed in the section entitled '2. RISK FACTORS' of this Base Prospectus.**

**Capitalised terms used in this Base Prospectus have the meaning given to them in the section entitled 'GLOSSARY' of this Base Prospectus.**

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## GLOSSARY

<b>API</b>	application programming interface to exchange and transmit information and data in a structured form between the Issuer, the Rental Company and/or the Co-Obligor, and Mintos.
<b>Backup Servicer</b>	the legal entity (if any) engaged by the Issuer to service and administer the Loans.
<b>Base Prospectus</b>	this base prospectus.
<b>Renter</b>	the lessee according to the Rental Agreement.
<b>Rental Agreement</b>	each rental agreement between the Rental Company as the lessor of the vehicle and a Renter as lessee as specified in applicable SPV Loan Agreement and Final Terms.
<b>Buyback Obligation</b>	has the meaning set out in the section entitled '4. TRANSACTION OVERVIEW – THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – The Buyback Obligation' of this Base Prospectus.
<b>Co-Obligor</b>	Inclusion OÜ, a private limited liability company established on 15.02.2017, existing under the laws of the Republic of Estonia, registry code 14204858, having its registered address at Harju maakond, Tallinn, Kesklinna linnaosa, V. Reimani tn 3, 10124.
<b>Cooperation Agreement</b>	the cooperation agreement between the Issuer, the Rental Company, the Co-Obligor, SPV and Mintos in relation to the Notes.
<b>Cooperation Agreement on Issuance of Loans (also referred to as the "Credit Line Agreement")</b>	the credit line agreement No. LVMM/06-07-2022-171 between the Rental Company and the Co-Obligor as jointly and severally liable borrowers and SPV as a lender, and Security SPV whereby the said parties agree on how SPV Loan Agreements are concluded and on the terms and conditions of disbursement and repayment of the Loans issued thereunder.
<b>FCMC</b>	the Financial and Capital Market Commission, as competent authority in the Republic of Latvia under the Prospectus Regulation.
<b>Final Terms</b>	any duly completed final terms in the form set out in section 14 of this Base Prospectus.

<b>Investment Accounts</b>	the separate accounts at Mintos of the Investor.
<b>Investor</b>	a person registered and accepted on the Platform as an investor.
<b>Issuer</b>	<b>SIA Mintos Finance No. 42</b> , a limited liability company existing under the laws of the Republic of Latvia, registered on 30.06.2022 with the registration number 40203410257, having its registered address at Skanstes street 52, Riga, LV-1013, Latvia, a special purpose entity whose principal purpose is the issue of Notes and other financial instruments.
<b>Issuer's Account</b>	the cash funds account of the Issuer opened with Mintos which is used solely for settling payments with the Rental Company and/or the Co-Obligor, the Backup Servicer (if any) and the Investors.
<b>Rental Company</b>	<b>INCLUSION SOUTH AFRICA</b> , a private company, incorporated on 12.06.2017 under the laws of the Republic of South Africa, registration number 2017/256375/07, having its registered address at 37 Elizabeth avenue, Linmeyer, Johannesburg, Gauteng, 2190, South Africa.
<b>Loan</b>	the principal amount outstanding under the SPV Loan Agreement.
<b>Loan Receivables</b>	the receivables under the SPV Loan Agreement relating to the Loan that are assigned to the Issuer under the Purchase Agreement, which include 100% of the principal amount outstanding of the relevant Loan.
<b>Mintos</b>	AS Mintos Marketplace, a joint stock company registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia under unified registration number 40103903643 on 1 June 2015, having registered address 50 Skanstes Street, Riga, LV-1013, Latvia, an investment firm authorised by the FCMC, which provides investment and related services to Investors through the Platform.
<b>Mintos Group</b>	AS Mintos Holdings, a joint stock company registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia under unified registration number 40103902690 on 27 May 2015, and any of its subsidiaries.
<b>Notes</b>	the notes issued or to be issued under this Programme.
<b>Noteholder</b>	the holder for the time being of any Note.
<b>Platform</b>	sites created and serviced by Mintos, merged under the domain name <a href="http://www.mintos.com">www.mintos.com</a> and software application to access it from a smartphone.
<b>Purchase</b>	part of the Cooperation Agreement relating to the purchase by the Issuer and

<b>Agreement</b>	sale by the SPV of the Loans.
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and includes any commission delegated regulation under the Prospectus Regulation.
<b>Programme</b>	this EUR 50 000 000.00 (fifty million euro) Note Programme.
<b>Repurchase</b>	has the meanings set out in the section entitled '4. TRANSACTION OVERVIEW – THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – Exercising of Repurchase' of this Base Prospectus.
<b>Securities Act</b>	the United States Securities Act of 1933, as amended.
<b>Security Documents</b>	means the Security Cession Agreement, Special Notarial Bond, Counter Indemnity Agreement, Debt Guarantee, Intercreditor Agreement and Promissory Note all as defined in the section entitled '4. TRANSACTION OVERVIEW – THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES - THE TRANSACTION DOCUMENTS' of this Base Prospectus.
<b>Security SPE</b>	BOWWOOD AND MAIN NO 312 (RF), a private company incorporated on 24.03.2020 under the laws of the Republic of South Africa with registration number 2020/172501/07 and having its registered address at 3rd Floor, 200 on Main, CNR Main and Bowwood Roads, Claremont, Western Cape 7708, South Africa.
<b>Series</b>	a series of Notes.
<b>SPV Loan Agreement</b>	each loan agreement concluded in line with the Cooperation Agreement on Issuance of Loans between the Rental Company and the Co-Obligor as a borrower and the SPV as a lender as specified in the applicable Final Terms. In the Cooperation Agreement on Issuance of Loans the SPV Loan Agreement is defined as the "SPV's Loan Agreement".
<b>SPV or Lender</b>	SIA Mintos Finance, a limited liability company (in Latvian: <i>sabiedrība ar ierobežotu atbildību</i> ) existing under the laws of the Republic of Latvia, unified registration number 40203022549, having its registered address at Skanstes iela 50, Riga, LV-1013, Latvia.
<b>Transaction Documents</b>	the Cooperation Agreement, the Cooperation Agreement on Issuance of Loans, SPV Loan Agreements, the Transfer Documents, the Subordination Agreement and the Security Documents.
<b>Subordination Agreements</b>	inter-creditor agreement between Mintos, the SPV and the Issuer, liabilities of the Rental Company towards which under the Cooperation Agreement and Cooperation Agreement on Issuance of Loans are the senior liabilities, and the Co-Obligor as creditor which certain liabilities of the Rental Company towards it

are junior liabilities, and whereunder the junior liabilities are subordinated to the senior liabilities on the terms and conditions agreed by the parties to the Subordination Agreement.

**Transfer  
Document**

the document generated by Mintos evidencing the transfer of Loan Receivables from the SPV to the Issuer in accordance with the Purchase Agreement.



## 1. GENERAL DESCRIPTION

### ○ What is Mintos?

Mintos established an online platform for investing in loans in 2015. Through the Platform, owned and operated by Mintos, Mintos provides investors with convenient means to invest in loans issued by various lending companies around the world. In May 2022 on the Platform investments in loans were started being offered via financial instruments called notes.

At the end of September 2022, Mintos has over 480,000 registered users, and Mintos is working with more than 64 lending companies from 31 countries, offering investment opportunities in 6 currencies.

Since Mintos was founded, investors through the Platform have invested more than EUR 8 billion.

Mintos is authorized as an investment firm by the FCMC. See the section entitled '6. Mintos' of this Base Prospectus for more information.

### ○ What are Notes?

Notes are financial instruments issued by the Issuer via Mintos to Investors, which allows Investors to invest in Loans issued by the SPV to the Rental Company, whilst both the Rental Company and the Co-Obligor being liable for repayment of the Loan, which such Loans are linked to Rental Agreements concluded by the Rental Company with the Renters.

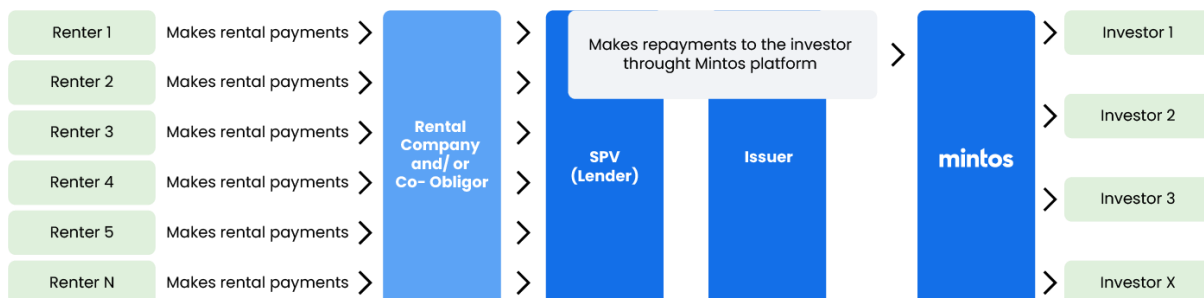
The Issuer is a special purpose legal entity established for the purpose of:

- purchasing Loan Receivables from the SPV;
- pooling those Loan Receivables for a particular Series of Notes; and
- issuing those Notes to Investors via Mintos.

See the sections entitled '5. THE ISSUER', '8. THE RENTAL COMPANY' and '11. THE CO-OBLIGOR' of this Base Prospectus for more information.

### ○ *The flow of funds for rental payments and flow of repayments for Loan Receivables*

The Rental Company and/or the Co-Obligor makes repayments to the SPV and, the SPV transfers the funds to the Issuer, which in turn makes repayments under the relevant Series of Notes to the relevant Investor via Mintos. The repayments are received into the relevant Investment Account.



When the Renter makes the rental payments to the Rental Company, the Rental Company will use those funds to make payments to the SPV. However, if the Renter makes the payments to the Rental Company later than scheduled, makes them in lesser amount than it has to or does not make them at all, the Rental Company and/or the Co-Obligor anyhow have to make payments that are due to the SPV (Lender) as scheduled.

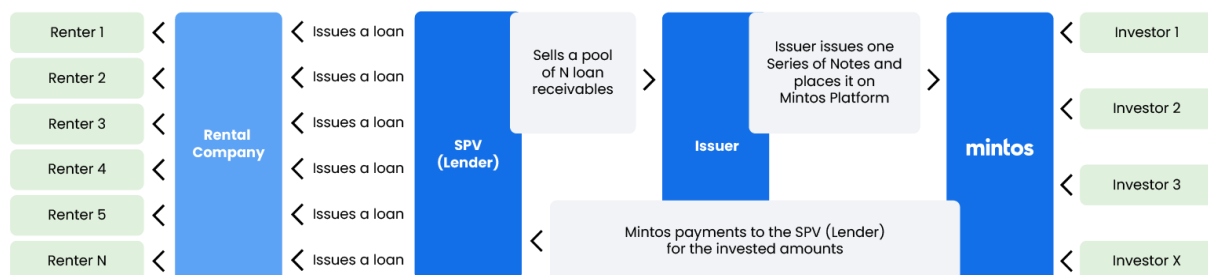
Because the Loan is a loan that is issued to the Rental Company and not to the Renter, the Rental Company and the Co-Obligor are obliged to repay the Loan and pay interest and other ancillary payments with respect to it by the maturity date set forth in the Final Terms for the respective Loan or as extended according to this Base Prospectus and Final Terms, if extended, irrespective of the Renter having or not having made payment under the Rental Agreement.

The Rental Company and the Co-Obligor provide a Buyback Obligation for Loan Receivables, which means that if any payment by the Renter is delayed by more than 60 days, the Rental Company and the Co-Obligor are obliged to repurchase the Loan Receivables together with any interest from the Issuer or to repay the Loan together with any interest to the SPV in full and then the SPV would transfer the received payments to the Issuer.

The Investor is exposed to the credit risk of the Rental Company and the Co-obligor. See section entitled ‘2. RISK FACTORS – RISKS SPECIFIC TO THE VEHICLES, UNDERLYING LOANS AND RENTAL AGREEMENTS – Insolvency of the Rental Company and/or the Co-Obligor’.

- *The flow of funds for investment*

The Rental Company concludes Rental Agreements with the Renters, while the dealerships issue the invoice for the car purchase to the Rental Company. After concluding these agreements, the Rental Company requests disbursement of a loan from the SPV in an amount that is no more than 90% of the purchase price for the vehicle, less the first down-payment, as agreed with the dealership. Once the SPV Loan Agreement with the Rental Company and the Co-Obligor as a jointly and severally liable borrower is concluded, the SPV sells the relevant Loan Receivables to the Issuer. The Issuer issues a Series of Notes corresponding to these Loan Receivables to Investors via Mintos. When an Investor purchases any Note of the Series, the Investment Accounts are credited with the Note and debited with the purchase price of the Note. The purchase price is transferred to the SPV. After receipt of the purchase price the SPV makes the disbursement of the Loan to the Rental Company.



## 2. RISK FACTORS

The Issuer believes that the factors listed in this section of the Base Prospectus may affect its ability to fulfil its obligations under the Notes. All of these risk factors and events are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, the potential significance of the risks or the scope of any potential negative impact to the Issuer's, the SPV's, the Rental Company's or the Co-Obligor's business, financial condition, results of operations and prospects. The Issuer, SPV, the Rental Company, and/or the Co-Obligor may face a number of these risks described below simultaneously. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

The Issuer believes that the factors described below represent the material risks inherent to investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes or the inability of the SPV to pay any amounts to the Issuer and/or the inability of the Rental Company to pay any amounts to the SPV and/or the inability of the Co-Obligor to pay any amounts to the SPV may occur for other reasons and the statements below regarding the risks of investing in any Notes are not exhaustive. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer, or that the Issuer at the date of this Base Prospectus deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's, SPV's or the Rental Company's business, financial condition, results of operations and prospects. Prospective investors should carefully review the entire Base Prospectus and should form their own views before making an investment decision with respect to the Notes.

Before making an investment decision with respect to any Notes, prospective investors should consult their own lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

### ***RISKS SPECIFIC TO THE VEHICLES, UNDERLYING LOANS AND RENTAL AGREEMENTS***

#### **1. The vehicle might not generate enough cash flows for the Rental Company to repay the SPV Loan and the vehicle's sale proceeds might not be enough to cover all payments under the SPV Loan**

In case of the Notes under this Base Prospectus, the underlying assets of the Notes are the Loan Receivables against the Rental Company and the Co-Obligor which are linked to vehicles and their Rental Agreements. The amount of the Loan when advanced to the Rental Company is determined based on the purchase price of the vehicle that is payable by the Rental Company to the seller of that vehicle at the time when the Rental Agreement is being concluded.

The vehicle with respect to which the SPV Loan is advanced might not generate enough revenues for the Rental Company to repay the SPV Loan due to the Renter failing to pay all expected rental payments for the entire duration of the assumed rental period.

Also, there is a risk that the value of the vehicle drops or for other reasons the proceeds from disposal of the vehicle might not be enough to pay off the SPV Loan that was advanced with

respect to it. There are no pre-agreed obligations of the dealers to repurchase the vehicles, and there is no pre-agreed price for the vehicle repurchase with the dealer.

## **2. The Renters may not make payments according to the agreed schedule or may default on their obligations altogether**

Since the Notes are linked to the pool of underlying Loan Receivables, and the Loan Receivables are each linked to one Rental Agreement there might be a case when the Renters of the linked Rental Agreements do not make a payment on time. However, if the Renter makes the payments to the Rental Company later than scheduled or does not make them at all, the Rental Company and/or the Co-Obligor anyhow have to make payments that are due to the SPV (Lender) as scheduled.

The failure of the Renter to pay may trigger the Buyback Obligation of the Loan Receivables to which the Renter's payments are linked because the Loan Receivables come with the feature of Buyback Obligation. The Buyback Obligation means that the Rental Company and the Co-Obligor are obligated to repurchase the Loan Receivables if the Renter has failed to pay more than 60 days after the scheduled payment date.

While the probability of any Renter missing payments or defaulting depends on many factors, such as payment amount, the income of the Renter, and repayment term, it is important to point out that these probabilities are never zero.

Overall, a Renter not making payments in full, or defaulting could be caused by a variety of factors, including, but not limited to:

- **The Renter overestimates its ability to pay** - each Renter should evaluate its current and future financial position itself and assess its ability to pay. For various reasons, the Renter could overestimate its future cash flows and undertake to make rental payments more than it will be able to pay.
- **Limitations of initial risk scoring** - the Rental Company has developed its own method for scoring customer credit risk that relies on various information, which can be collected also from other parties than the Rental Company (e.g., credit rating agencies). There is a risk that the information could be wrong or outdated, or that the scoring method is not sufficient.
- **Unexpected events** - reasons why the Renter could miss a payment, include loss of employment, a delay in receiving expected income, unexpected costs, or even disability or death.
- **Macroeconomic factors** - the credit risk scoring of the Rental Company makes assumptions about the client's ability to repay during normal economic conditions. A sudden change in macroeconomic factors could significantly impact the Renter's ability to make payments.
- **Other liabilities** - the underlying Rental Agreements that are linked to the Note usually do not restrict the Renter from incurring unsecured or secured debt or undertaking other liabilities. Additional debt or other liabilities may adversely affect the Renter's creditworthiness and could result in financial distress, insolvency or bankruptcy of the Renter.
- **Rent payable in a different currency than the Renter's income** - in some cases, the

rent payable by the Renter is in a different currency than the currency in which the Renter earns income. Significant changes in the exchange rates or a local currency devaluation could impact the Renter's ability to make repayments.

**3. The Rental Company and/or the Co-Obligor for reasons other than Renter's failure to pay does not make payments as they become due or may default on its obligations altogether**

The Loan Receivables come with the feature of a Buyback Obligation which means that the Rental Company and the Co-Obligor are obligated to repurchase the Loan Receivables if the Renter has failed to pay more than 60 days after the scheduled repayment date. While this feature could reduce the potential loss for the Noteholder due to the Renter failing to make payments, the Buyback Obligation is only as strong as the companies providing this obligation. If the Rental Company and the Co-Obligor fail to honour their obligation, the Noteholder is still exposed to the risk of the underlying Renter not making payments.

Also, the Rental Company and the Co-Obligor have to meet the Repurchase obligation as may be required by the Transaction Documents and in such event the Rental Company and the Co-Obligor are jointly and severally obliged to (i) repurchase the Loan Receivable from the Issuer or (ii) to repay to the SPV the respective Loan in full together with any Interest and Late Payment Interest accrued thereon.

While the probability of the Rental Company and/or the Co-Obligor missing repayments or defaulting depends on many factors, such as payment amount, the revenues of the Rental Company and the Co-Obligor, and the repayment term, it is important to point out that these probabilities are never zero. Due to this, the Notes are only suitable investments for Investors who have the appropriate knowledge and experience and are in a financial situation that allows them to lose part or even all of the money invested in Notes.

Overall, a Rental Company or the Co-Obligor not making repayments in full, or defaulting could be caused by a variety of factors, including, but not limited to:

- **Loss-making operations** - The Rental Company and/or the Co-Obligor may experience losses due to various business events and factors, such as intense competition, higher than expected cost of client acquisition, high recovery costs and high costs of reclaiming possession over vehicles, rental periods shortening or drop in rental income for other reasons, drop in value of the vehicles, due to damage or other reasons, and/or their disposal proceeds not being sufficient to pay off all creditors, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to new Rental Agreements and management errors.
- **Macro-environmental factors** - Various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the non-performing Rental Agreements' ratio.
- **Freezing, seizing or closing of the Rental Company's and/or the Co-Obligor's operational bank account** - The account that the Rental Company and/or the Co-Obligor uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Rental Company's ability to collect Renters' payments and transfer funds to Mintos, the SPV and/or the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the Rental

Company. Inability to use the bank account could restrict the Co-Obligor's ability to transfer funds to Mintos, the SPV and/or the Issuer for an indefinite time.

- **Currency control restrictions or lack of corresponding banks chain** - The local government could introduce certain currency control restrictions, leading to a situation where the Rental Company or the Co-Obligor is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the Rental Company's operational accounts could be dramatically amended or terminated, eliminating the Rental Company's and/or the Co-Obligor's ability to make payments towards the Issuer, to the SPV and/or Mintos. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
- **Other or sole funding sources** - Besides Mintos, the Rental Company and the Co-Obligor may use other sources of funding, such as a bank credit line, corporate bonds issues, private equity or public shares offerings. In some situations, such as an economic downturn, it could be difficult for the Rental Company or the Co-Obligor to attract funding from other sources to refinance the existing liabilities, thus leading to a liquidity crisis that could lead to the Rental Company having difficulties continuing operations. Furthermore, if the Rental Company and the Co-Obligor use the Platform as a major funding source and a significant number of investors decide to suddenly avoid investing in Notes issued under this Base Prospectus, the consequences can be the same.

#### **4. The Rental Company may not be able to receive all rental payments from the Renter that are due**

Even though the recovery amounts from the Renter, in case of it not making payments, would only be expected with respect to rent for several few months at most of the rent period, there is still a risk that the Renter does not make those rent payments that are due.

While any recoveries from a Renter are limited to the value of Renter's assets (if any), some jurisdictions may, set a lower limit that creditors may claim from the Renter or define a list of the estate which is not allowed to be alienated for recovery purposes, thus reducing the maximum amount that could be recovered from the Renter.

The underlying Rental Agreements that are linked to the Note do not restrict the Renters from incurring additional unsecured or secured debt and other liabilities. This means that if the Rental Agreement is not secured by an asset and any funds from the Renter are available for recovery, these funds could be allocated to various creditors, i.e., not only the Rental Company, but also other persons that the Renter owes money to, such as local tax agency, state authorities, lending companies and utility companies.

There could also be the case, especially where the amount of the rent is low, that the expected collection and recovery costs might be higher than the debt itself, which means the collection and recovery is not economically reasonable, thus it would not be pursued.

In addition, the Rental Agreement may, for a variety of reasons, be challenged and thus the ability of the Rental Company to exercise its rights under the Rental Agreement may be delayed or otherwise hindered for an undefined term. The reasons for challenging the Rental Agreement could include errors in agreements, electronic form of agreement (while the legal form requirement might be met in principle by such electronic signature, its value as evidence in

court proceedings in some jurisdictions could be less compared to an actual signature made by hand on a physical document), compliance with regulations, such as consumer protection laws, as well as renter identify fraud cases.

Due to the reasons described above the Noteholder may experience delayed repayments or partial or full loss of the amount invested in Notes.

#### **5. The Renter may terminate the Rental Agreement early**

A Renter may terminate the Rental Agreement and buy out the vehicle or terminate agreement early. The Rental Agreement might be also terminated or cancelled in advance by the Rental Company due to the reasons mentioned in General Terms and Conditions of the Rental Agreement and according to which vehicle shall be repossessed, triggering the early payment of the amounts due by the Renter and penalties that are applied according to the penalty schedule in the special terms of the Rental Agreement. While the Noteholder may invest the repaid money elsewhere, the return on the investments could be lower than the initially planned return.

#### **6. Exercising ownership or control over vehicle might be difficult or impossible**

The cars are with the Renters during the period of the rent under the Rental Agreement. When the Rental Agreement expires, the vehicle must be returned to the Rental Company, unless the Renter uses the car purchase option and wishes to retain the vehicle by paying a pre-agreed purchase price to the Rental Company. If the vehicle is not returned by the Renter willingly and the Rental Company has to exercise control and ownership without cooperation of the Renter, there is a risk that there are legal difficulties to exercise ownership or control over the vehicles and/or there are operational difficulties to locate the vehicle and reclaim it. That may lead to the Rental Company incurring high costs to reclaim the vehicles, and/or not being able to generate any proceeds from the disposal of the vehicle.

#### **7. Insolvency of the Rental Company and/or the Co-Obligor**

Insolvency, bankruptcy or other similar adverse events may significantly influence or even dismiss the ability of the Rental Company and/or the Co-Obligor to repay the Loans, to meet its obligations under Transaction Documents, and among other things to execute the undertaken Buyback Obligation and Repurchase obligations. This means that if the Rental Company and/or the Co-Obligor experiences significant problems, the Rental Company and/or the Co-Obligor may not be able to make payments which would result in the Issuer not being able to make payments to the Noteholders.

In case of insolvency, an administrator is usually bound to consider which past transactions of the insolvent company have to be contested and which sold assets or transferred funds have to be clawed back. There is a risk that the administrator of the Rental Company and/or the Co-Obligor takes action to claw back to the Rental Company and/or the Co-Obligor estate amounts paid to the Issuer, Mintos or the SPV. The Issuer, the SPV and/or Mintos would then have to take legal actions to protect their interests in the payments received that are clawed back, and argue against the position of the administrator in judicial proceedings, which could be long and costly, and no assurance could be made of its successful outcome.

Eventually, the Noteholder may experience delayed repayments or partial or full loss of invested amount under Notes.

## **RISKS SPECIFIC TO SERVICING OF THE RENTAL AGREEMENTS**

### **1. The Rental Company is not able to continue servicing of the Rental Agreements**

Various factors can negatively impact the Rental Company's ability to provide servicing of the Rental Agreement, which in turn could lead to delayed repayments to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

- **Loss-making operations** - The Rental Company may experience losses due to various business events and factors, such as intense competition, higher than expected cost of client acquisition, high recovery costs, unexpected costs, reduction in the portfolio sizes, changes in local regulation with regards to new Rental Agreements and management errors.
- **Macro-environmental factors** - Various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the non-payment risk.
- **Freezing, seizing or closing of the Rental Company's operational bank account** - The account that the Rental Company uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict the Rental Company's ability to collect Renter's payments and transfer funds under the SPV Loan Agreements for an indefinite time, or even lead to insolvency or bankruptcy of the Rental Company.
- **Currency control restrictions or lack of corresponding banks chain** - The local government could introduce certain currency control restrictions, leading to a situation where the Rental Company is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the Rental Company's operational accounts could be dramatically amended or terminated, eliminating the Rental Company's ability to make payments under the SPV Loan Agreements. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
- **Foreign exchange positions mismatch** - Quite often the rent payment under the Rental Agreements is paid in one currency, but Loans are issued by the SPV and have to be repaid by the Rental Company and Notes promise repayments to Noteholders in another currency, for example, a rent payment under the Rental Agreement have to be paid by the Renter in South African rand, but the Investor invests in a Note denominated in euros. If such Loans make up a large amount of the total portfolio, and local currency devalues and the Rental Company has not properly hedged this risk, the Rental Company is subject to foreign exchange positions mismatch risk, leading to significant losses for the Rental Company and its inability to pay amounts due under the SPV Loan Agreement.
- **Other or sole funding sources** - Besides Mintos, the Rental Company may use other sources of funding, such as a bank credit line, corporate bonds issues, private equity or public shares offerings. In some situations, such as an economic downturn, it could be difficult for the Rental Company and/or the Co-Obligor to attract funding from other sources to refinance the existing liabilities, thus leading to a liquidity crisis that could



lead to the Rental Company having difficulties continuing operations. Furthermore, if the Rental Company uses the Platform as a major funding source and a significant number of investors decide to suddenly avoid investing in Notes that are backed Loans linked to the Rental Agreements, the consequences can be the same.

## **2. No Backup Servicer may be available for servicing the Rental Agreements if the Rental Company is not able to continue servicing**

One of the key roles of the Rental Company with respect to the Notes is to provide servicing of the Rental Agreements according to standards agreed with Mintos, the SPV and the Issuer. There might be no backup servicer that could be appointed to take over the servicing from the Rental Company if needed. If there is an event of default or other circumstance that disrupts the due servicing of the Rental Agreements and administration of the Renters' debts by the Rental Company and if at the time no backup solution for Rental Agreements' servicing exists, the timeline and volumes of repayments could be significantly impacted, leading to a partial or full loss of amounts invested in Notes.

## **3. The Rental Company may intentionally or unintentionally breach its contractual obligations**

There is a risk that the Rental Company performs actions that are in violation of the Transaction Documents, including the risk of fraud against the SPV, Issuer and Mintos, resulting in the partial or full loss of amounts invested in Notes. Contractual breaches that may happen include, but are not limited to:

- **False or incomplete information about the Rental Company** - All information in this Base Prospectus about and/or related to the Rental Company has been provided and certified by the Rental Company as actual, true, and complete. Material errors or omission of such information could initially affect the decision of the Noteholder to invest in a particular Note and eventually result in a negative outcome of the investment.
- **False Renter data** - The Rental Company provides Mintos with information about the Rental Agreement status, the Renters, repayment schedules, repayments, extensions of the underlying Rental Agreements or changes to the Rental Agreements. While Mintos regularly asks the Rental Company to provide scanned copies of the documents as evidence for randomly selected Rental Agreements, Mintos does not check or verify all Rental Agreements linked to the Loans backing the Notes. There is a risk that the Rental Company intentionally or unintentionally has provided wrong information to Mintos or fails to provide information to Mintos at all, and as a result, the payments under the Notes could be impacted.
- **The Rental Company stops cooperation with Mintos** - The Rental Company could for some reason suddenly stop cooperating with Mintos. This could mean not honouring its obligations under the existing agreements, including the Transaction Documents and breach of their provisions. The Rental Company could stop making payments to the Issuer, which means the Issuer would not be able to make payments to the Noteholder. The Rental Company might also stop providing Mintos with the necessary information or providing the information with significant delays.

## **4. The Rental Company's IT systems may fail or may be breached**

IT systems are a crucial part of all financial services companies and if they are impacted, that could affect the Rental Company's ability to provide financial services to its customers and

exchange information with Mintos. This could also result in loss or distortion of significant information and databases that are crucial for sound cooperation between the Rental Company, the SPV, the Issuer and Mintos, including for Notes issue servicing and administration.

Since IT systems play such a crucial role in the Rental Company's operation, the Rental Company typically devotes a substantial amount of resources to ensure stable and uninterrupted performance of the IT systems. Neither the Issuer, nor the SPV or Mintos audits the Rental Company's IT systems thus cannot ensure their soundness.

## ***RISKS SPECIFIC TO THE SECURITY***

### **1. The Security SPE and other parties may not honour their obligations under any of the Security Documents**

In order to secure obligations of the Rental Company under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans, the SPV will enter into a number of the security documents with Security SPE, and other creditors of the Rental Company. The Security SPE structure that would secure obligations of the Rental Company would entail among others the following:

- a) the Rental Company will cede certain of its rights and receivables in favour of the Security SPE in accordance with the Security Cession Agreement;
- b) the Rental Company will mortgage its specified movable property in favour of the Security SPE in accordance with the Special Notarial Bond;
- c) Security SPE will guarantee performance of the Rental Company's obligations under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans in accordance with the Debt Guarantee;
- d) Security SPE and the Rental Company will enter into the Counter Indemnity Agreement in accordance with which the Rental Company would indemnify and hold harmless the Security SPE on any claims and losses it might suffer;
- e) The Security SPE, the Rental Company, the Co-Obligor, the SPV, other creditors of the Rental Company entered into the Intercreditor Agreement in accordance to which agreed on the process of identification of the receivables and property arising out Security Cession Agreement and Special Notarial Bond, as well as agreed on the enforcement procedure in case an event of default occurred under any facility agreement with the Rental Company.

In order to secure its own obligations under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans, the Co-Obligor will issue a promissory note in favour of the SPV.

Under the Debt Guarantee, the Security SPE would be expected to pay any and all sums which may be payable in respect of the guaranteed obligations of the Rental Company and the Co-Obligor arising out of the Cooperation Agreement on Issuance of Loans as if the Security SPE instead of the Rental Company was expressed to be the principal obligor in respect of the guaranteed obligations. There is a risk that the Security SPE may not honour its obligations under the debt guarantee.

There is a risk that Security SPE or any other party does not honour its obligations under any other of the Security Documents, which may lead to high enforcement costs or it being impossible to achieve debt recovery through enforcement, and hence can lead to loss for the investors.

**2. The pledged assets might lose value, or their disposal proceeds might be less than the secured obligations**

Also, there is a risk that the pledged assets which were granted previously by the Rental Company and held as a security by the Security SPE might lose their value and could be sold for an amount that is less than the amount due under the Cooperation Agreement on Issuance of Loans or the asset could be stolen, hidden, alienated, missing or damaged. There is a risk, as with any pledge/security, that it is or becomes unenforceable or invalid (see subsection '*The security may become invalid or unenforceable*' below).

**3. The Security SPE may face obstacles with enforcement of the security or the SPV's designated security might be mixed up with that of other creditors or there is a dispute on which is SPV's designated security**

There is a risk that the Security SPE may not be able to take the secured movable property, e.g., vehicles, into its possession and thus fastly recover the debt due under the Cooperation Agreement on Issuance of Loans and guaranteed by the Security SPE under the Debt Guarantee.

There is designated security for each creditor, and in case of the SPV the designated security ought to be all the vehicles with respect to which the funding from the SPV is obtained. There could be a dispute with other creditors on whether the designated security is that of the SPV or that of another creditor. There is also a risk that for other reasons it is not possible to take enforcement action with respect to the vehicle which SPV believes to be its designated security or there is a mixup of the vehicles that are provided as designated security to the creditors and the wrong creditor receives proceeds from the disposal of the vehicle. If the proceeds of disposal of the assets that have been designated as a security in favour of the SPV are transferred to another creditor for whatever reason and the Security SPE or that other creditor do not willingly admit the wrongful transfer and do not compensate SPV respective amount, there might be high costs and it might take lengthy legal proceedings to enforce SPV's rights to claim compensation of the incurred loss.

**4. The Security SPE or the Rental Company as the provider of the security over vehicles may default**

The risk of default, for example, insolvency, is a risk that is present for any counterparty, the Security SPE and the Rental Company included.

If the Rental Company or the Co-Obligor defaults, as a general rule the security should not be affected and the Security SPE should be able to exercise its rights with respect to the security in order to cover the guaranteed obligations under the Debt Guarantee and to fulfil all other obligations under the Security Documents.

**5. The security may become invalid or unenforceable**

There is a risk that the security provided under the Security Documents may become invalid or unenforceable for several reasons, including, but not limited to cases when legal relations arising from the Transaction Documents are recategorised by the court of law, mistakes and omissions are made and/or due procedures not being followed when the security is formed. In that case, the obligations of the Rental Company and the Co-Obligor towards the SPV defined by the Transaction Documents become unsecured and the credit risk significantly increases, and that may trigger Mintos, the Issuer and SPV terminating cooperation with the Rental Company and the Co-Obligor and requesting repurchase by the Rental Company and the Co-

Obligor of all the Loan Receivables before their term.

## ***RISKS SPECIFIC TO MINTOS***

### **1. Various events and failures could cause situations where Mintos is not able to continue operations**

As a relatively new service, Mintos operates in a complex and dynamic regulatory and competitive environment and various events and failures could lead to Mintos terminating the provisioning of services, including the operations of the Platform. These events include but are not limited to revocation of licence, weak financial performance, negative reputation, non-compliance events, dramatic changes in the applicable regulations impacting Mintos operating model or an economic downturn. If Mintos ceases operations, this could significantly impact the Noteholder's ability to receive repayment on time.

Should Mintos enter liquidation or insolvency, as a regulated and supervised entity, the process will be supervised by the FCMC. The appointed liquidator or administrator will take over the functions of the management board. Mintos will continue servicing its clients and the Investment Accounts, and relevant financial instruments portfolios in line with what Mintos is permitted to do according to the applicable insolvency and liquidation rules. The process from the moment of the appointment would be led by the appointed administrator or liquidator. In some cases, the Investors' Protection Law may apply. Such processes may significantly influence the investment's return times and make the return more complex to the Noteholder.

Furthermore, Mintos could for some reason suddenly stop honouring its obligations under the existing agreements, leading to delayed payments or partial or full loss of the amount invested in the Notes.

### **2. Non-compliance with regulations could lead to revocation of Mintos' licence**

To provide services to clients, Mintos, as the operator of the Platform, has received an investment firm license from the FCMC. The licence could be suspended or revoked due to non-compliance with regulations by Mintos. Loss of licence by Mintos could lead to delayed payments or partial or full loss of invested amount under the Notes.

### **3. Failure of IT systems or a security breach could lead to significant liabilities and harm relationships with customers**

The technology that Mintos has developed over the years is a cornerstone of Mintos' future success. The satisfactory performance, reliability and availability of the Platform is critical to its operations, customer service and reputation.

While Mintos has taken steps to protect confidential information, the techniques used to obtain unauthorised, improper or illegal access to systems, data, or customer data, or to disable or degrade services are constantly evolving and may not be detected quickly.

As a result, Mintos' and Mintos' third-party vendor security measures might be breached, and these security breaches could result in confidential client information being stolen. Breaches of security measures because of third-party action, employee error, third-party vendor error, design flaws in the software, or interruptions in Mintos' systems and services could adversely impact our relationships with Mintos' clients, harm Mintos' reputation and expose Mintos to significant liability.

Furthermore, in the event of damage or interruption, existing insurance policies may not

adequately compensate Mintos and Mintos' clients for any losses that may have been incurred. Nevertheless, as IT systems are crucial to Mintos' operations, a substantial amount of resources are devoted to ensuring the stable and uninterrupted performance of the IT systems.

**4. Mintos' bank accounts could be frozen or closed and banks, where the Noteholder funds are held, can become insolvent**

Mintos clients' funds, including the fund being deposited in the Issuer's Account for settlement under the Notes, are kept segregated from Mintos' own funds in several bank accounts marked as client funds accounts.

One or several of those bank accounts that Mintos uses might be blocked, seized or closed for a number of reasons, including insolvency of the banks, resulting in interruptions of fund transfers to the Rental Company and the Noteholder.

**5. Significant problem or termination of the agreement with a Mintos partner may affect the provision of services to the clients**

While providing its services, Mintos relies on several carefully selected partners (e.g., cloud computing providers), and any problems with the service providers could impact Mintos' ability to provide services to the Noteholder. Mintos has taken several steps to reduce the likelihood and impact of such occurrences, such as having backup service providers where feasible, there is still a risk that the Noteholder may not be able to access the Platform or receive services.

**6. Certain situations or actions may raise conflicts of interests**

While the rights and the responsibilities of Mintos, the Issuer, SPV, the Rental Company are detailed in the Transaction Documents and this Base Prospectus, and Mintos has established policies and procedures to mitigate the risk, it is not possible to fully avoid the possibility of a conflict of interests between the parties that could impact the interests of the Noteholder.

While Mintos provides placement services to the Issuer with respect to the Notes, Mintos also provides the infrastructure services for the Rental Company and the Issuer to perform sales of the Loan Receivables to the Issuer, as well as to exercise the Buyback Obligations and Repurchases. Mintos receives fees from the Rental Company for placement services. Mintos has carefully set up the fees in a compliant manner and so that it would not violate the conflict of interest management rules. Such placement fees might qualify as inducements and Mintos would disclose information on these inducements to the Noteholder. In addition to inducement disclosures, Mintos has set up internal procedures to identify and manage conflicts of interest. Some conflicts of interest require disclosure and those are disclosed.

***RISKS SPECIFIC TO THE SPV (LENDER)***

**1. The SPV could default on its obligations or become insolvent**

The SPV is a wholly-owned Mintos Group company, and not engaged in any business activities other than those provided in this Base Prospectus. There is a risk that the SPV could suddenly stop effectively honouring its obligations under the existing agreements and breaching its provisions, resulting in missing repayments to the Noteholder. This could lead to delays in repayments and partial or full loss of invested amounts.

While the SPV is created, established and performs its operations as a special purpose undertaking, due to possible legal shortcomings of the applicable law and/or judicial practice, the SPV might be found insolvent. In such situations, if the SPV has received and holds money

from the Rental Company that is payable to the Issuer, the Noteholder could experience delays in receiving its invested funds and the Issuer's priority as a creditor of the SPV might be changed by the rule of law, leading to receiving fewer amounts than due under the Notes, if any amounts at all are received and held by the SPV that are received from the Rental Company.

The Terms and Conditions of the Notes (in section 12 of this Base Prospectus) are set up and drafted as having legal force and addressing concerns as legally binding contractual obligations. There can be external circumstances that might influence such legal construction, including, but not limited to court ruling, and/or new or modified legal enactments.

## 2. **The SPV is not able to continue Loan servicing**

Various factors can negatively impact the SPV's ability to provide Loan servicing, which in turn could lead to delayed repayments for the Loan Receivables to the SPV and as a result, and, in turn to the Noteholder or even partial or full loss of the invested amount. Some of the factors are:

- **Macro-environmental factors** - Various macro-environmental factors, such as recession, military conflict, natural disasters or pandemic, could significantly increase the amounts that can't be recovered from the Rental Company.
- **Freezing, seizing or closing of the SPV's operational bank account** - The account that the SPV uses for operations might be seized, blocked, or closed for a number of reasons, including anti-money laundering and know your client breaches, sanctions violations, state authorities' arbitrary actions, or insolvency of a bank or payments services provider. Inability to use the bank account could restrict SPV's ability to collect repayments from the Rental Company and transfer funds to the Issuer for an indefinite time, or even lead to insolvency or bankruptcy of the SPV.
- **Currency control restrictions or lack of corresponding banks chain** - The local government could introduce certain currency control restrictions, leading to a situation where SPV is not able to make payments in foreign currency and/or to the beneficiary that is a foreign entity and/or to an account in a foreign financial institution. Alternatively, corresponding bank relations of a bank or payments services provider which maintains the SPV's operational accounts could be dramatically amended or terminated, eliminating the SPV's ability to make payments towards the Issuer. This may negatively affect payments to the Issuer and thus further distributions to the Noteholder.
- **Changes in local regulation with regards to Loans already issued** - A legislative body of the country where the SPV operates or where from the Rental Company is, could introduce a debtors' moratorium (a legally authorised period of delay in the performance of a legal obligation or the repayment of a debt) or even full or partial debt (including interest and penalties) release.

## 3. **Cross-risks applicable to the SPV**

Considering the pass-through nature of the SPV, the SPV and its abilities to pay amounts due to the Noteholders under the Note are exposed to all the risks listed above in '*RISKS SPECIFIC TO THE UNDERLYING LOAN*', '*RISKS SPECIFIC TO LOAN SERVICING*', '*RISKS SPECIFIC TO SECURITY WHEN IT IS PROVIDED TO THE SPV*'.

## **RISKS SPECIFIC TO THE ISSUER**

### **1. The Issuer could default on its obligations or become insolvent**

The Issuer is a wholly-owned Mintos Group company, and not engaged in any business activities other than those provided in this Base Prospectus. There is a risk that the Issuer could suddenly stop effectively honouring its obligations under the existing agreements and breaching its provisions, resulting in missing repayments to the Noteholder. This could lead to delays in repayments and partial or full loss of invested amounts.

While the Issuer is created, established and performs its operations as a special purpose undertaking, due to possible legal shortcomings of the applicable law and/or judicial practice, the Issuer might be found insolvent due to the following reasons, including, but not limited to, a Noteholder or other creditor initiating the insolvency procedure against the Issuer in bad faith and the court not finding limited recourse and non-petition provisions defined by this Base Prospectus as a sufficient ground to reject such proceeding. In such situations, the Noteholder could experience delays in receiving its invested funds and its priority as a creditor of the Issuer might be changed by the rule of law, leading to receiving fewer amounts than due under the Notes.

The Terms and Conditions of the Notes (in section 12 of this Base Prospectus) are set up and drafted as having legal force and addressing concerns as legally binding contractual obligations. There can be external circumstances that might influence such legal construction, including, but not limited to court ruling, and/or new or modified legal enactments.

### **2. Mintos may not be able to cover the maintenance and administrative costs of the Issuer**

Considering the pass-through nature of the Issuer, the maintenance costs and administrative expenses of the Issuer are, in essence, covered by the Rental Company, either via direct compensation mechanism or indirectly via Mintos. If for any reason mentioned above in '*RISKS SPECIFIC TO MINTOS*', Mintos is not able to cover such costs, it could significantly influence the operations of the Issuer and its ability to service Notes and make payments to the Noteholder.

### **3. Information asymmetry**

With a reference to risks described above in 'The Rental Company may intentionally or unintentionally breach its contractual obligations - False or incomplete information about the Rental Company' and 'False Renter data', part of the information in this Base Prospectus as well as significant information being received during the term of the Notes is being sourced and received from the Rental Company. There is a risk that the Rental Company can provide material information with delay or fails to provide information to the Issuer at all. As a consequence:

- the Issuer through Mintos acting as its authorised representative will not be able to timely enforce its rights provided in the Transaction Documents and to act in the interests of Noteholders; and
- the Issuer will not be able to prepare and publish supplements to this Base Prospectus in a timely manner, which could impact the Noteholders' judgement on purchasing the Notes being unaware of any significant new factor, material mistake or inaccuracy related to the information being sourced from the Rental Company.

#### **4. Cross-risks applicable to the Issuer**

Considering the pass-through nature of the Issuer, the Issuer and its abilities to pay amounts due to the Noteholders under the Note are exposed to all the risks listed above in '*RISKS SPECIFIC TO THE UNDERLYING LOAN*', '*RISKS SPECIFIC TO LOAN SERVICING*', '*RISKS SPECIFIC TO SECURITY WHEN IT IS PROVIDED TO THE ISSUER*' and '*RISKS SPECIFIC TO MINTOS*'.

#### **RISKS SPECIFIC TO NOTES**

##### **1. The Noteholder has no rights of recourse against the Renters, the Rental Company, the Co-Obligor, the SPV or the Security SPE**

The Noteholder has no direct right to the Loan Receivables. Instead, the Noteholder is acquiring Notes, which are backed by the corresponding Loan Receivables. The legal title in the Loan Receivables and relevant rights arising from them are vested in the Issuer. This means that the Noteholder will have no direct recourse against the Rental Company, the Co-Obligor or the Renters and no ability to independently and in its discretion to pursue the Rental Company, the Co-Obligor or any Renter to collect payments under the relevant Rental Agreement or the Rental Company to collect payments under the relevant SPV Loan Agreement. For the same reason the Noteholder will have no direct recourse against the SPV or the Rental Company, and/or the pledgor, and no ability to pursue the SPV or the Rental Company, and/or the pledgor to enforce them to duly perform their duties and obligations due. All such actions are carried out by the Issuer as the legal owner of the Loan Receivables according to the provisions of this Base Prospectus and the Transaction Documents.

##### **2. Change of creditors priority**

The outcome of judicial or insolvency procedure could overrule the creditors' priority in this Base Prospectus due to requirements of the law, meaning that the Noteholders of one Series of Notes could become equal creditors to Noteholders of other Series of Notes, thus all the proceeds the Issuer receives from all the Loan Receivables is distributed on *pro rata* basis or otherwise.

##### **3. Certain costs may rank higher than payments to the Noteholder**

While it is the Issuer's responsibility to transfer to the Noteholder all payments that have been received from the SPV, including the payments received from the Rental Company by the SPV, there are certain costs, such as taxes, Mintos' fees and recovery costs that rank higher than payments to the Noteholder. This means that the Noteholder would only receive payment after the payment obligations of a higher priority have been settled.

Also, there is a risk that the outcome of judicial or insolvency procedure could define other priority of payments, which differs from the priority in this Base Prospectus.

##### **4. Liabilities that are not Series specific will be allocated to all Series of Notes proportionally**

If there are higher priority costs, i.e., taxes, fees and recovery costs, related to the specific Note, then these will be covered from the payments due to the Noteholders according to the Priority of Payments defined in this Base Prospectus. Where the liability is not Series-specific, for example, legal costs, the liability will be allocated to all Series of Notes proportionally unless otherwise defined by the Priority of Payments.



**5. Due diligence and monitoring performed by Mintos and Mintos risk score allocated are limited in scope, do not address all material risks, and do not provide any assurance or indemnification**

Before the Rental Company joins Mintos and during the cooperation, Mintos carries out due diligence and assigns Mintos risk score. It is important to point out that these processes are limited in scope and do not address all material risks relating to an investment in the Notes, but rather reflect the view of Mintos at the time the due diligence and monitoring are performed.

Even if Mintos continuously measures the accuracy of Mintos risk score and evaluates the need to adjust the methodology when new data is obtained, these processes might not guarantee any further performance of the investment.

Mintos neither provides any assurance or guarantee for the Noteholder nor indemnifies or holds Noteholder harmless for any loss or adverse consequence directly or indirectly arising from the Noteholder relying upon Mintos risk score or due diligence and monitoring performed. Basing investment decisions solely on Mintos risk score could lead to a partial or full loss of invested amounts.

**6. No specific securitisation laws in Latvia**

There are no dedicated laws and regime in Latvia addressing specific special purpose vehicle issuer insolvency or limited recourse concepts. Mintos believes the Terms and Conditions of the Notes are set up and drafted as having legal force and addressing such concerns as legally binding contractual obligations. There might be circumstances that influence such legal construction, including, but not limited to the court ruling, or new or modified legal enactments. Eventually, this could lead to delayed payments or partial or full loss of the amount invested in the Notes.

**7. Repurchase could impact planned return**

The Rental Company may repurchase the Loan Receivables from the Issuer at any time at their then outstanding principal value without any penalty or other compensation. This may happen, for example, in cases where the Rental Company can acquire lower cost financing from other sources and wishes to refinance the Loan.

The Rental Company not only has a right to repurchase, but also has an obligation to repurchase the Loan Receivables from the Issuer upon the occurrence of certain events specified in the Cooperation Agreement. The Rental Company may become obliged to repurchase one or several affected Loan Receivables, as well as there are certain events that may trigger the obligation to repurchase all the Loan Receivables. Occurrence of a Material Event of Default under the Cooperation Agreement triggers the obligation to repurchase all the Loan Receivables.

If the repurchase right is exercised by the Rental Company or if the repurchase obligation arises, the relevant Series of Notes will be redeemed early in full or in part once the Issuer has received the repurchase price from the Rental Company. The Noteholders' return on the investments in the Notes which are redeemed due to the repurchase will be lower than the initially planned return.

**8. New regulations introduced in the future could impact the Noteholder and Mintos**

Due to several reasons, such as improvements in computer technology, the financial crisis of the past decade and a greater focus on preventing the legalisation of illegally gained proceeds,

the financial industry over the last years has experienced the introduction of several new regulations. With further developments and adoption of technologies, jurisdictions, either where Noteholders or Mintos Group are domiciled are likely to introduce new regulations or administrative interventions that could relate to Notes or online marketplaces such as the Platform. Such regulation in the future, for example, could enhance investors' protection measures, limit access to Notes to only qualified or sophisticated Noteholders, limit the proportion of the portfolio that can be invested through Notes or introduce any other restricting measures.

Furthermore, the introduction of new regulations or significant changes to the existing regulations could impact the profitability, cost base and future operations of Mintos. Failure to comply with regulation could lead to, among other things, lawsuits, administrative enforcement actions, penalties, and revocation of licenses and authorisations. Eventually, this could lead to delayed payments or partial or full loss of invested amounts under Notes.

**9. New regulation in relation to taxes could impact the expected return for the Noteholder**

In the event that new regulation is introduced, or existing regulation or its interpretation changes so that the Issuer and/or Mintos needs to withhold additional taxes before making payments to the Noteholder, and the Issuer and/or Mintos is required to withhold any transfer tax, stamp duty and/or financial transactions tax, this could impact the expected return on investment for the Noteholder. Similar developments in the Noteholders' tax residence country can lead to the same consequences.

**10. Notes have limited liquidity and transferability**

The Notes are illiquid securities and there is no active market for them, and the Notes are not admitted to any trading venue. The potential buyers and transferees are limited only to other Mintos' clients who are registered on the Platform. Which all means that the Noteholder might need to offer the Notes with a significant discount and hence would not meet the expected return on the investment or might even be unable to sell them at all during a shorter or longer period of time. Furthermore, to protect Noteholders that use automatic investment solutions from making investment decisions, Mintos may restrict the execution of orders to sell the Notes according to the terms and conditions of the agreements between the Investors and Mintos.

The Noteholder should therefore only invest in Notes that the Noteholder is comfortable with holding to maturity.

**11. An undiversified investment portfolio may lead to greater exposure to the Rental Company and country-specific risks than a well-diversified portfolio**

Investment in a single Note, Notes issued in relation to the Rental Company or Notes with underlying Loans related to one country means that the performance of the portfolio and risk exposure depends on that Note, the Rental Company, country and currency risk.

Mintos encourages its Investors to build a well-diversified portfolio and provides several tools to automate investing in Notes, making this easier.

**12. Investing in Notes issued in other currencies increase the Noteholder's exposure to currency risk**

If a Noteholder invests in Notes denominated in a currency that is different from the currency that the Noteholder earns and/or spends, the return on the investment could be significantly

impacted by the fluctuations in the exchange rate between those currencies. This means that if the underlying currency depreciates significantly, the Noteholder could lose part of the investment, and if the currency appreciates significantly, the Noteholder could earn a higher return on investment.

**13. Notes are not bank deposits**

Investment in Notes does not have the status of a bank deposit in Latvia or elsewhere and is not within the scope of the deposit protection or guarantee scheme operated by the Republic of Latvia or any other jurisdiction.

### 3. GENERAL INFORMATION

#### Important notices

THIS BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS BASE PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS BASE PROSPECTUS CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THIS BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Any materials relating to any potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Under no circumstances will this Base Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction other than provided on page 1 of this Base Prospectus.

#### Responsibility for this Base Prospectus

The Management Board of the Issuer:

Title	Name
Chairman of the Management Board	Martins Sulte
Member of the Management Board	Martins Valters

accepts responsibility for the information contained in this Base Prospectus (other than the information in the sections entitled '8. THE RENTAL COMPANY', '10. THE RENTAL AGREEMENTS', '7. THE SPV (LENDER)', '9. THE LOANS', '11. THE CO-OBLIGOR'). To the best of its knowledge, the information (other than the information in the sections entitled '8. THE RENTAL COMPANY', '10. THE RENTAL AGREEMENTS', '7. THE SPV (LENDER)', '9. THE LOANS', '11. THE CO-OBLIGOR') contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties identified in this Base Prospectus as such has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information provided by a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Management Board of the Rental Company accepts responsibility for the information contained in the sections entitled '8. THE RENTAL COMPANY', '11. THE CO-OBLIGOR' and '10. THE RENTAL AGREEMENTS' of this Base Prospectus. To the best of its knowledge, the information contained in

sections entitled '8. THE RENTAL COMPANY', '11. THE CO-OBLIGOR' and '10. THE RENTAL AGREEMENTS' of this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

The Management Board of the SPV (Lender) accepts responsibility for the information contained in the sections entitled '7. THE SPV (LENDER)' and '9. THE LOANS' of this Base Prospectus. To the best of its knowledge, the information contained in sections entitled '7. THE SPV (LENDER)' and '9. THE LOANS' of this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

### **Final Terms**

Each Series of Notes will be issued on the terms and conditions set out under the section entitled '12. TERMS AND CONDITIONS OF THE NOTES' of this Base Prospectus as completed by the applicable Final Terms. The Final Terms will be published on the website [www.mintos.com](http://www.mintos.com). A form of applicable Final Terms is set out under the section entitled '14. APPLICABLE FINAL TERMS' of this Base Prospectus.

### **Other relevant information**

This Base Prospectus must be read and construed together with any supplements to this Base Prospectus and with any information incorporated by reference in this Base Prospectus and, concerning any Series of Notes, must be read and construed together with the relevant applicable Final Terms.

### **Unauthorised information**

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into concerning the Programme, any information supplied by the Issuer, or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

Mintos has not authorised the whole or any part of this Base Prospectus and does not make any representation or warranty, or accept any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes, nor does Mintos or any of its shareholders, directors, affiliates, advisers or agents take any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue, offering and sale of the Notes.

### **Restrictions on distribution**

The distribution of this Base Prospectus and any Final Terms, and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and Mintos to inform themselves about and to observe any such restrictions. In particular, Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither this Base Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, Mintos or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms will be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. Mintos has not provided any financial or taxation advice in connection with the Programme or the Notes.

### **Programme limit**

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 50 000 000.00 (fifty million euro) (or its equivalent in other currencies).

### **Language**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

### **Ratings**

No Series of Notes issued under the Programme will be rated by any credit rating agency.

### **Currencies**

Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in euro. The Issuer's functional currency is euro, and the Issuer prepares its financial statements in euro.

### **Third-party and market share data**

This Base Prospectus contains information regarding business of the Issuer, Mintos, the Rental Company and others, and the industry in which they operate and compete. Where third party information has been used in this Base Prospectus, the source of such information has been identified. Statistical information included in this Base Prospectus has been derived from official public sources, including the statistical releases. All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Issuer to Investors who have purchased the Notes. In some cases, independently determined industry data is not available. In these cases, any market share data included in this Base Prospectus is referred to as having been estimated. All such estimates have been made by either the Issuer or the Rental Company using its information and other publicly available market information. Each of the Issuer and the Rental Company believes that these estimates of market share are helpful as they give prospective Investors a better understanding of the industry in which the Issuer or the Rental Company operates as well as its position within that industry. Although all such estimations have been made in good faith based on the information available and the Issuer's or the Rental Company's knowledge of the market within which it operates, neither the Issuer nor the Rental Company can guarantee that a third-party expert using different methods would reach the same conclusions. Where information has not been independently sourced, it is the Issuer's or the Rental Company's own information.

### **No incorporation of website information**

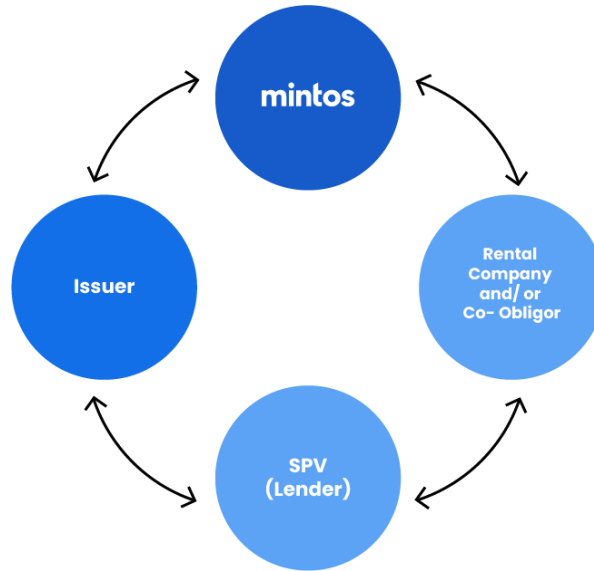
The Issuer is affiliated with Mintos and their website is [www.mintos.com](http://www.mintos.com). Unless specifically incorporated by reference into this Base Prospectus, information on the website or any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites has not been verified, is not incorporated by reference into, and does not form part of, this Base Prospectus, and Investors should not rely on it.

#### 4. TRANSACTION OVERVIEW

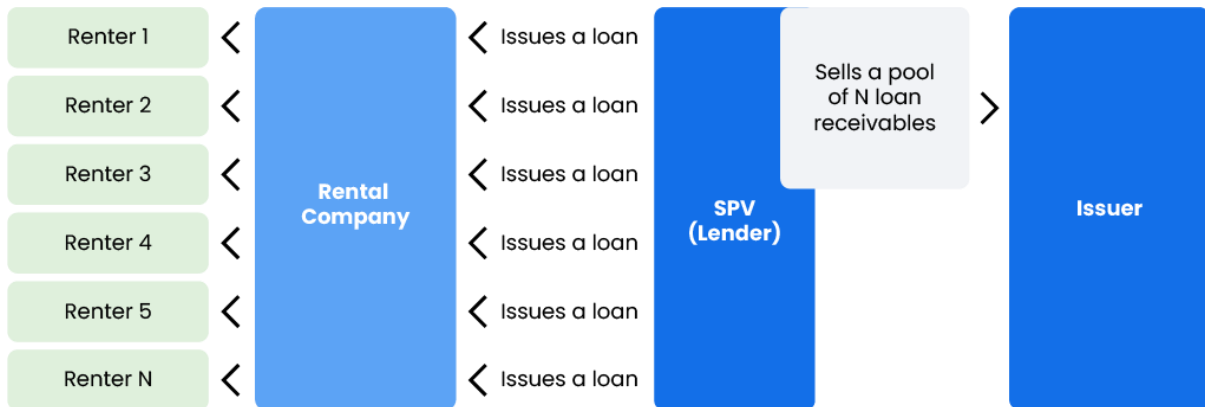
- **THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES**

- **The Issuer, Mintos, SPV (Lender), the Co-Obligor and the Rental Company**

The Issuer, Mintos, SPV (Lender), the Co-Obligor and the Rental Company have entered into the Transaction Documents for the issue and sale of the Notes as described in this Base Prospectus.



- **Issuance of loans and transfer of the Loan Receivables by the SPV to the Issuer**



The Rental Company concludes a Rental Agreement with the Renter, and in the Base Prospectus, they are called the Rental Agreements. Once the Rental Agreement is concluded, the Rental Company can request, by using the API connection setup with Mintos, a Loan from the SPV (Lender) within the maximum limit permitted by the Cooperation Agreement on Issuance of Loans.

Each loan requested from the SPV has to be for an amount not exceeding 90% of the vehicle's purchase price that the Rental Company has to pay to the dealer according to its invoice, less the down-payment the Rental Company has agreed with the Renter that it shall pay according to the Rental Agreement. The Rental Agreement concluded with respect to the vehicle and the vehicle as such are a source of repayment of the respective Loan. If the request for Loan meets the requirements under the Cooperation Agreement on Issuance of Loans, the request is approved and an SPV Loan Agreement

is generated for that Loan. Mintos verifies the information provided through the API. The Rental Agreements are required to meet certain eligibility criteria for the Loans that will be advanced against them to form a 'pool' of Loan Receivables to serve as the underlying assets for a particular Series of Notes and to satisfy other conditions precedent. Each SPV Loan Agreement has one vehicle and Rental Agreement linked to it as the source of repayment.

After the SPV Loan Agreement is concluded, the Loan Receivables arising out of the SPV Loan Agreement are in full sold to the Issuer.

The sale of the Loan Receivables to the Issuer is evidenced by Mintos generating the Transfer Document. The agreement on the terms and conditions of the sale of the Loan Receivables by the SPV to the Issuer is set out in the Cooperation Agreement, the Transfer Document evidences the fact of the sale having happened.

Payment for the acquired Loan Receivable is subject to placement of the Series of Notes.

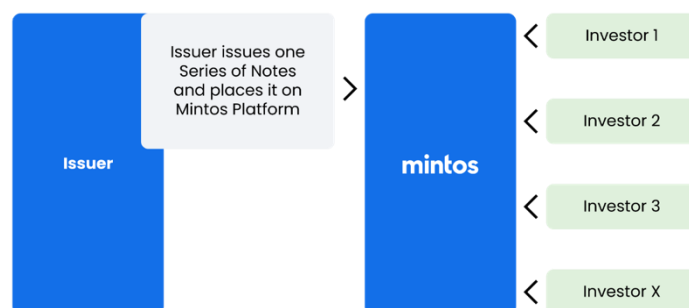
That means the Loan Receivables transferred to the Issuer and backing the Series have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

In relation to the Loan, the SPV does not retain any 'skin in the game'. The Rental Company, however, does economically retain a skin in the game in the future cash flows of the Rental Agreement due to the fact that the Loan that it can receive against the Rental Agreement is no greater than 90% of the residual purchase price of the vehicle.

The Rental Company is notified of the transfer of the Loan Receivables, however the parties under the Cooperation Agreement have agreed that the Rental Company will continue to make payments to the SPV (Lender), unless the Issuer has not notified the Rental Company to do otherwise. The SPV continues to service the Loan Receivables.

The Rental Company meanwhile retains full title over the receivables arising from the Rental Agreements that are linked to the Loans as their source of repayment.

- **Issue of Notes**



Once the Issuer has a pool of the Loan Receivables, Mintos publishes the Final Terms for the relevant Series of Notes on the Platform on behalf of the Issuer. This process is automated and takes place in real-time.

As of the Issue Date, the Notes are publicly offered by the Issuer through the Platform. Investors can purchase Notes from the Issue Date until the Maturity Date of the Notes provided in the Final Terms or until the time when the Notes are fully sold to Investors by the Issuer, whichever occurs earlier. Information about the offer results of the Notes is published on the website [www.mintos.com](http://www.mintos.com) in real



time starting from the Issue Date of the Notes. Subscriptions will not be reduced, which means refund of amounts paid in excess does not apply. The Issuer does not expect any conditions to which offer of the Notes would be subject.

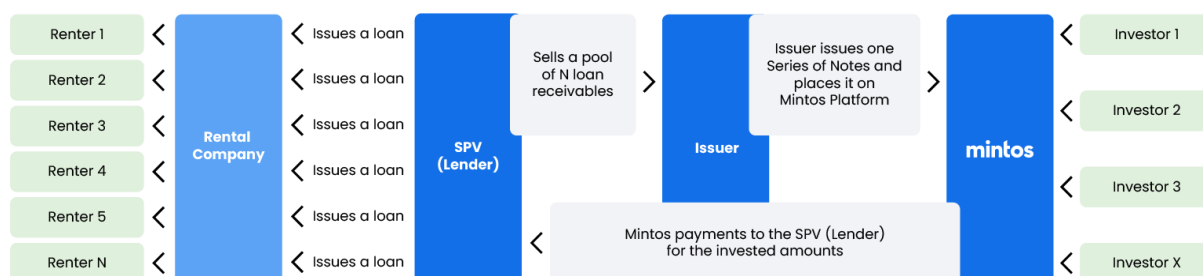
To purchase Notes from the Issuer, the Investor registered on the Platform submits an investment order using the “Primary market” section of the Platform, indicating the amount of money that the Investor wishes to invest in particular Notes. The Investor can also use automated portfolio management services provided by Mintos to purchase the Notes. The process for purchasing Notes is automated and takes place in real-time. When the investment order is accepted by the Platform, Mintos debits cash funds from the Investor’s cash account with Mintos in exchange for delivery of the Notes to the Investor’s financial instruments account with Mintos. Paying for the Notes and delivery of the Notes take place simultaneously. The Notes allotted are available as soon as the investment order is executed by Mintos, by means of the Investor’s profile on the Platform. Further alienation of Notes could be done as soon as available on the Investor’s Investment Accounts.

Minimum subscription amount is one Note. Maximum subscription amount is up to the Aggregate Nominal Amount for the relevant Series of Notes, but subject to the nominal amount of the Notes being available for purchase from the Issuer as at execution time of the investment order at Mintos.

No expenses are expected to be charged to the Investor by the Issuer when purchasing Notes. Currently there is no financial transaction tax to be applied by the Issuer and/or Mintos to the Investor in subscribing or purchasing any Note.

The Issuer expects that net proceeds of any Series of Notes will equal the Aggregate Nominal Amount of the relevant Series.

▪ **Payments under the Notes**



Interest specified in the Final Terms will begin to be calculated and accrued from (and including) the first day when the Investor has acquired the Notes from the Issuer and the Notes are booked by Mintos in the Investor’s financial instruments account.

The Interest and principal payments under the Notes are linked and contingent on corresponding payment being made under the pool of the underlying Loan Receivables by the Rental Company and/or the Co-Obligor. Notes may have different payments which reflect the different Rental Agreements concluded by the Rental Company, such as:

- fully amortising Notes – the principal amount outstanding of the Notes and interest are regularly paid during the term of the Notes so that the principal amount outstanding of the Notes is zero at maturity of the Notes;
- partially amortising Notes (or ‘balloon’ Notes) – the principal amount outstanding of the Notes and interest are regularly paid during the term of the Notes but, a ‘balloon’ of principal amount outstanding of the Notes remains which is paid at maturity of the Notes;
- interest only Notes – only the interest is regularly paid during the term of the Notes, whilst the

principal amount outstanding of the Notes is paid at maturity of the Notes; and

- bullet Notes - both the outstanding principal value of the Notes and interest are paid at the maturity of the Notes.

- **The Buyback Obligation**

The **Buyback Obligation** is the obligation for the Rental Company and the Co-Obligor to (i) repurchase the relevant Loan Receivables from the Issuer, provided that the Buyback Obligation is stated as being applicable in the Final Terms; or (ii) to make repayment to the SPV with respect to the affected Loan in full, if any payment under any of the relevant Rental Agreement is delayed by more than 60 days. Whichever way the Buyback Obligation is performed, if the Rental Company and/or the Co-Obligor fulfils the obligation, it achieves the same result – the Issuer receives either directly from the Rental Company and/or the Co-Obligor or from the SPV full settlement for the respective Loan Receivables.

If the Buyback Obligation is triggered, the relevant Series of Notes will be partially redeemed early once the Issuer has received the buyback price from the Rental Company and/or the Co-Obligor or the payment from the SPV of received repayment from the Rental Company and/or the Co-Obligor. The buyback price or repayment is the nominal value of the Loan Receivable as it is at the time when the Buyback Obligation arose, which means the nominal value of the principal outstanding and the interest and other ancillary claims assigned to the Issuer that form part of the Loan Receivable up to the date when the Buyback Obligation was triggered.

- **Repurchase**

**Repurchase** is the right or obligation for the Rental Company and/or the Co-Obligor to (i) repurchase the Loan Receivable(s) from the Issuer or (ii) to make repayment to the SPV with respect to the affected Loans in full on the occurrence of certain events specified in the Cooperation Agreement.

**The Repurchase rights** may be exercised by the Rental Company and/or the Co-Obligor at any time with respect to any Loan Receivable(s). The repurchase price or the repayment is the nominal value of the Loan Receivable, which means the nominal value of the principal outstanding and the interest and other ancillary claims assigned to the Issuer that form part of the Loan Receivable up to the date when the Repurchase right was exercised, as it is at the time when the Repurchase right was exercised.

If during the validity of the Cooperation Agreement the Rental Company and/or the Co-Obligor exercises its rights to Repurchase individual Loan Receivables that are linked to performing Rental Agreements (rental agreements which payments are not delayed by the Renters), the Rental Company and/or the Co-Obligor shall be obliged to repurchase the same amount of the Loan Receivables that are linked to non-performing Rental Agreements with a delay of 1 to 59 days (if any) and to non-performing Rental Agreements with a delay of 60 and more days (if any). Namely, if the Rental Company and/or the Co-Obligor repurchases 10% (ten per cent) of the Loan Receivables linked to performing Rental Agreements, the Rental Company and/or the Co-Obligor shall be obliged to repurchase 10% (ten per cent) of the Loan Receivables linked to non-performing Rental Agreements with a delay of 1 to 59 days and 10% (ten per cent) of the Loan Receivables linked to non-performing Rental Agreements with a delay of 60 and more days. The Loan Receivables linked to non-performing Rental Agreements subject to the repurchase are randomly selected by the Rental Company and/or the Co-Obligor at its own discretion. If Rental Company and/or the Co-Obligor fails to repurchase the Loan Receivables of non-performing loans as per this clause, Mintos shall randomly select the Loan Receivables on non-performing loans subject to the repurchase by the Rental Company and/or the Co-Obligor.

**The Repurchase obligation** arises either with respect to one or several Loan Receivables or it may as well arise with respect to all Loan Receivables.

Individual affected Loan Receivable(s) must be repurchased by the Rental Company and/or the Co-Obligor according to the Cooperation Agreement if the following occurs:

- (a) termination by the Rental Company of a Rental Agreement which is linked to the SPV Loan Agreement from which the Loan Receivable arises;
- (b) in case any of the following events occur:
  - if the SPV Loan Agreement from which the respective individual Loan Receivable arises is or shall for any reason and by any means become invalid or unenforceable whether in whole or in part or it becomes impossible or unlawful for any party to any such document to perform its obligations under such documents; or
  - if, in the reasonable opinion of Mintos and/or the Issuer and/or the SPV, the Rental Company's fraud or fraudulent misrepresentation has been established;
- (c) with respect to the affected Loan Receivable that is determined in the sole discretion of Mintos, in case if any of the following events occur:
  - if certain representations or warranties of the Rental Company provided in the Cooperation Agreement with respect to the Rental Agreement is or proves to have been untrue when made or deemed to be made;
  - if a breach of an obligation of the Rental Company to comply with certain restrictions on amendments to the Rental Agreements are not complied with or if the Rental Company breaches its duties as a servicer of the Rental Agreements; or
  - if it is or becomes unlawful for the Rental Company to perform its obligations under the Cooperation Agreement or the Cooperation Agreement on Issuance of Loans according to the applicable laws (i.e., having a retroactive effect).

The above might not be a precise wording of the Cooperation Agreement provisions, however even if the wording is different the description of the essence remains correct.

In case a Material Event of Default under the Cooperation Agreement has occurred (see paragraph: THE TRANSACTION DOCUMENTS - The Cooperation Agreement - Material Events of Default), Mintos is entitled to request the Rental Company and/or the Co-Obligor to repurchase all the Loan Receivables transferred to the Issuer or to make repayment to the SPV with respect to all the Loans. Mintos has the discretion to request or not to request the repurchase of all the Loan Receivables. If the full repurchase is requested, repurchase obligation must be met by way of (i) paying the repurchase price or (ii) by making repayment to the SPV with respect to the Loans in full within the time period, which in most cases is 5 (five) Business Days, but may be set as a longer period of time up to no more than 6 months, after the notice has been given to the Rental Company and/or the Co-Obligor regarding the repurchase and the final calculation of the amounts payable is sent to the Rental Company.

The repurchase price for the Loan Receivable which the Rental Company and/or the Co-Obligor is obliged to pay to the Issuer for the Repurchase of the Loan Receivable is equal to the total amount of the remaining principal amount of the Loan Receivable and accumulated and outstanding interest, and other ancillary claims assigned to the Issuer that form part of the Loan Receivable up to the date when the Repurchase was triggered.

If Repurchase rights or obligation is triggered, the relevant Series of Notes will be redeemed early in full or in part once the Issuer has received the repurchase price from the Rental Company and/or the Co-Obligor or the payment from the SPV of received repayment from the Rental Company and/or the Co-Obligor.

▪ **No credit enhancement**

The Notes have no credit enhancements and no liquidity support in relation to payment of interest or principal.

The Issuer, as a special purpose entity, has no obligation to make any payment on the Notes unless sufficient funds have been received from the SPV or the Rental Company. In turn, the SPV, is dependent on payments on the relevant Loans from the Rental Company, but the Rental Company, in turn, is dependent on payments on the relevant Rental Agreements from the Renters.

○ **THE TRANSACTION DOCUMENTS**

*The information in this section is a summary of certain features of the Transaction Documents provided for information purposes and will not be treated as the full binding text of the relevant agreement.*

▪ **The Cooperation Agreement**

*General*

The Cooperation Agreement contains the agreement between the Issuer, the SPV, the Rental Company, the Co-Obligor and Mintos on the matters outlined in the above section entitled '*THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES*'.

The Cooperation Agreement among other schedules contains as schedules the following:

- sample of the Rental Agreement; and
- this Base Prospectus as submitted to the FCMC for approval.

*Mintos*

Mintos acts as an assignment agent, placement agent, calculation agent, transfer agent and paying agent of the Issuer in relation to the Notes.

*Loan servicing*

The Issuer has appointed the SPV as the servicer with **service rights** which includes any and all rights to:

- (a) service the Loan Receivables;
- (b) all agreements or documents creating, defining or evidencing the servicing rights to the extent they relate to the servicing;
- (c) collect all payments under the SPV Loan Agreements; and
- (d) maintain and use any and all servicing files and other data and information about the Loan Receivables, and about the past, present or prospective servicing of the Loan Receivables.

Within the scope of servicing obligations, the SPV has undertaken certain obligations, including:

- (a) to collect and process payments from the Rental Company and the Co-Obligor;
- (b) to transfer payments from the Rental Company and the Co-Obligor to the Issuer;
- (c) not to assign, transfer or create any encumbrance over any Loan Receivables; and
- (d) to take all reasonable actions to ensure that the Loan Receivables are not treated as the SPV's property and any pledge rights, prohibitions or other encumbrances in favour of the SPV, its creditors or administrators would not be attributed to the Loan Receivables.

Subject to certain terms and conditions, the Issuer may, by notice to the SPV, the Rental Company, the Co-Obligor and Mintos terminate the appointment of the SPV as the servicer and appoint another person as the servicer of the Loan Receivables.

The Rental Company has certain rights and obligations with respect to servicing of the Rental Agreements.

#### *Extensions*

The Rental Company may modify any of the Rental Agreements without approval of the Issuer, provided that payments from the relevant Renters remain unchanged.

If provided in the Final Terms, the Rental Company may extend the repayment schedule of one or more of the Rental Agreements without the consent of the SPV, Issuer or the Noteholders provided that (a) there is no event of default under any of the Rental Agreement, (b) any change is restricted by 'Limit on the number of Extensions' and 'Total maximum time limit of Extensions' as specified in the Final Terms and (c) any change is notified on the Platform to the Noteholders. If the Rental Agreement is extended, the SPV Loan Agreement that it is linked to is extended for the same period of time.

The Rental Company may also extend the repayment schedule of one or more of the Rental Agreements without the consent of the Issuer, the SPV or the Noteholders to comply with any new law or regulation, amendment of any existing law or regulation, or any decision of any government or municipal provided that any change is notified on the Platform to the Noteholders.

#### *Representations and warranties*

The Rental Company and the Co-Obligor have made certain representations and warranties including:

- (a) all necessary and required procedures, checks and assessments have been performed to ensure the validity and enforceability of each of the Rental Agreements;
- (b) information and documents provided regarding each of the Rental Agreements are true, correct and complete;
- (c) the Rental Company has the valid title over the receivables arising out of the Rental Agreements being provided as the source of repayment of the Loans.

The Rental Company and the Co-Obligor have represented and warranted that they have all necessary licences, permits and authorisations to conduct their business activities.

The SPV has made certain representations and warranties relating to the Loans, including on the validity and enforceability of each of the SPV Loan Agreements.

Each of the Issuer, the Rental Company, the Co-Obligor, the SPV and Mintos has ensured the truth, correctness and completeness of all the documents and information being provided by it, as well as its compliance with applicable regulatory requirements.

#### *Covenants*

The Rental Company and/or the Co-Obligor has covenanted to comply with certain financial and other covenants.

#### *Indemnities and penalties*

The Rental Company or the Co-Obligor as may be applicable have agreed to pay the contractual penalties to Mintos, to the SPV, or the Issuer, as required by the Cooperation Agreement, for breach of certain obligations indicated in the Cooperation Agreement.

Each of the Issuer, the SPV, the Rental Company, the Co-Obligor and Mintos has indemnified the others against any and all losses suffered by or incurred by the others arising out of or resulting from its breach under the Cooperation Agreement.

#### *Material Events of Default*

The Cooperation Agreement contains an exhaustive list of events that constitute Material Events of Default. Material Events of Default under the Cooperation Agreement include events like:

- (a) non-payment by the Rental Company and/or the Co-Obligor under the Transaction Documents;
- (b) the Rental Company's non-compliance with the adjusted equity ratio set in the Cooperation Agreement;
- (c) events with respect to various other obligations: failure to fulfil some other obligations of the Cooperation Agreement; occurrence of a material event of default under other obligations referred to in the Cooperation Agreement;
- (d) an event of default, as such term is defined in this Base Prospectus, occurs, which such event of default is caused by fault, action or failure to act of the Rental Company and/or the Co-Obligor;
- (e) any security documents (if any) having become invalid, unenforceable or likewise events occurring with respect to them as agreed in the Cooperation Agreement;
- (f) insolvency or insolvency proceedings of the Rental Company or the Co-Obligor occurs;
- (g) a creditor's process as agreed in the Cooperation Agreement is taking place;
- (h) misrepresentation by the Rental Company and/or the Co-Obligor with respect to the information in this Base Prospectus that is sourced from the Rental Company and/or the Co-Obligor and for which they both are responsible for;
- (i) cross-default and cross-acceleration or certain financial liabilities;
- (j) occurrence of circumstances in the area of AML (Anti Money Laundering) or sanctions non-compliance that require termination of cooperation with the Rental Company and/or the Co-Obligor;
- (k) cessation of business by the Rental Company or the Co-Obligor.

The above is not a precise wording of the Cooperation Agreement provisions on the Material Event of Default, it is just a description of their essence.

If any Material Event of Default occurs, Mintos may stop:

- (a) the execution of sales of the Loan Receivables to the Issuer;
- (b) the placement of the Notes on the Platform; and
- (c) the processing of submitted but not yet executed orders for subscription of the Notes.

Upon occurrence of a Material Event of Default Mintos may require the Rental Company to Repurchase all the Loan Receivables transferred to the Issuer.

Also, if a Material Event of Default occurs Mintos may change the servicer of the Loan Receivables.

Whether to exercise any or all of the above rights that Mintos has if any Material Event of Default occurs, is a decision that Mintos makes, acting as an authorized representative of the Issuer and the SPV in their best interests. It may be that even if a Material Event of Default has occurred, it may be cured or

does not negatively affect the ability of the Rental Company and/or the Co-Obligor to comply with its obligations under the Cooperation Agreement, or there are other legitimate reasons why Mintos should not exercise the said rights.

#### *Term and termination*

The Cooperation Agreement continues until all liabilities of the Issuer, the Rental Company, the Co-Obligor and Mintos according to its provisions are fully satisfied.

#### *Governing law*

The Cooperation Agreement and any non-contractual obligations arising out of, or in connection with it, are governed by and will be construed in accordance with the laws of the Republic of Latvia.

### **The Credit Line Agreement (also defined as the Cooperation Agreement on Issuance of Loans) and SPV Loan Agreements**

#### *General*

The Credit Line Agreement is constructed as a revolving facility agreement whereunder the Rental Company and the Co-Obligor (acting as the co-borrowers) may receive Loans from the SPV within a maximum limit which as of the date of first Notes' issue hereunder is set at 20 000 000 EUR (twenty million euros). Each Loan under the SPV Loan Agreement cannot exceed 90% of the amount of residual purchase price (after the down-payment payable by the Renter) payable by the Rental Company to the seller for the vehicle of the Rental Agreement that is indicated by the Rental Company as the source of repayment of the Loan.

Given that there is another credit line agreement concluded between the SPV, the Security SPE and the Rental Company, which was concluded to serve for the purpose of providing loans for investment under the setup of concluding the assignment agreements, maximum limit of the said 20 000 000 EUR (twenty million euro) is the maximum of all loans advanced by the SPV to the Rental Company that can be outstanding – under the Credit Line Agreement, as well as any other agreement with the SPV.

#### *Rights and obligations of the parties*

The Rental Company, on its own behalf and on behalf of the Co-Obligor, is entitled to request disbursement of the Loans from the SPV with the available maximum limit, provided that the conditions precedent for such disbursements as agreed are met. Requests are made by the Rental Company sending information to Mintos according to the Cooperation Agreement through API about the Rental Agreement it offers as the source of repayment. If the conditions precedent is not met, or other agreed circumstances occur, such as a Material Event of Default as such is defined in the Cooperation Agreement occurs, the SPV may refuse granting of Loans and hence the SPV Loan Agreement may not be concluded, and the disbursement of the Loan would not take place.

The SPV's Loan Agreement is deemed entered into by the Rental Company and the Co-Obligor as co-borrowers, i.e., jointly and severally liable borrowers.

When the SPV Loan Agreement is concluded the Loan is not immediately disbursed in full. The Loan is advanced to the Rental Company in instalments. The instalments become committed by the SPV when amounts are paid by the Noteholders for the Notes that the Loan is backing. On the Loan amount that is committed by the SPV, interest on reservation of the loan accrues, but on the Loan amount that is disbursed interest for use of the loan accrues. The rate for both interests is the same. The Rental Company and the Co-Obligor shall be jointly and severally obliged to pay above-indicated interest as per each SPV's Loan Agreement.

The SPV and the Co-Obligor and the Rental Company have agreed that the Loans can be advanced to the Rental Company either by bank transfer to their bank accounts or by the SPV setting off the amounts that have become due and payable from the Rental Company and the Co-Obligor against the Loans that the SPV has become obliged to advance.

#### *Term and termination*

The Credit Line Agreement continues until all liabilities of the Rental Company and the Co-Obligor according to its provisions are fully satisfied.

#### *Governing law*

The Credit Line Agreement and the SPV Loan Agreements and any non-contractual obligations arising out of, or in connection with, it is governed by and will be construed in accordance with the laws of the Republic of Latvia.

### **Security Documents**

In order to secure obligations of the Rental Company under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans, the SPV will enter into a number of the security documents with Security SPE, and other creditors of the Rental Company. The Security SPE structure that would secure obligations of the Rental Company would entail among others the following:

- f) the Rental Company will cede specified rights and receivables in favour of the Security SPE in accordance with the Security Cession Agreement;
- g) the Rental Company will mortgage its specified movable property in favour of the Security SPE in accordance with the Special Notarial Bond;
- h) Security SPE will guarantee performance of the Rental Company's obligations under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans in accordance with the Debt Guarantee;
- i) Security SPE and the Rental Company will enter into the Counter Indemnity Agreement in accordance with which the Rental Company would indemnify and hold harmless the Security SPE on any claims and losses it might suffer;
- j) The Security SPE, the Rental Company, the Co-Obligor, the SPV, other creditors of the Rental Company entered into the Intercreditor Agreement in accordance to which agreed on the process of identification of the receivables and property arising out Security Cession Agreement and Special Notarial Bond, as well as agreed on the enforcement procedure in case an event of default occurred under any facility agreement with the Rental Company.

In order to secure its own obligations under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans, the Co-Obligor will issue a promissory note in favour of the SPV.

**As of the date of this Base Prospectus and the commencement of the issuance of the Notes, the Security Documents might not yet be signed and perfected. The Parties have agreed in the Cooperation Agreement that the Security Documents as described herein will be established however, due to the time needed for all of the formalities it is not a condition precedent for the issuance of the Notes to start.**

Below is a description of each of the Security Documents.

#### **Security Cession Agreement**



In accordance with the Security Cession Agreement, the Rental Company cedes all of its rights to each Rental Agreement, each option to purchase agreement, each Renter's claim, each bank account, insurances and insurance proceeds, as well as all revenues and receivables, each as specified in the Security Cession Agreement, as a continuing general covering collateral security for the due, proper and timeous payment and performance in full of all of the secured obligations which includes obligations with respect to the SPV.

The Security Cession is not an outright cession which retains bare dominium (ownership without the right of use) of the ceded rights, subject to the rights of the Security SPE.

No additional acts are required to create or perfect the security cession.

The Rental Company provided certain representations and warranties, including that the Rental Company will be until the final discharge date sole and beneficial owner of the ceded rights.

The Rental Company undertook among other things not to pledge, cede, assign or transfer in any other manner ceded rights without the prior written consent of the Security SPE, not to exercise any rights it may have in respect of the ceded rights which conflict with or may restrict the rights of the Security SPE without the prior written consent of the Security SPE.

Upon occurrence of a default event under any finance document with the creditors, and subject to the decision of the creditors in accordance with the Intercreditor Agreement, the Security SPE may perform the actions prescribed by the Security Cession Agreement in order to enforce the security granted thereby including but not limited to the following actions: exercise all or any of the rights, powers and privileges attaching to the ceded rights and enforce any rights attaching to the ceded rights in such manner and on such terms as the Security SPE in its sole discretion deems fit; receive payment for, delivery of and/or performance in respect of, the ceded rights in its own name; demand, collect, and receive all and any amounts owing by the Renters and other counterparties to the Rental Company as the Security SPE may, in its sole discretion determine; appropriate amounts standing to the credit of the bank accounts; and/or appropriate amounts received in respect of the insurances, insurance proceeds and all other specified receivables.

### **Special Notarial Bond**

In accordance with the Special Notarial Bond, the Rental Company mortgages the specified movable assets which are described in the annex to the Special Notarial Bond, and which are designated in favour of each of the Rental Company's creditor. Special Notarial Bond is a continuing covering of security.

The Rental Company has certain obligations under the Special Notarial Bond, including but not limited to keep and maintain the movable assets in good working order and condition, to remain the sole, legal, beneficial and owner of the movable assets.

Upon occurrence of the enforcement event the Security SPE without any further authority or consent of any nature whatsoever required from the Rental Company is entitled to among other things the following: immediately claim and recover from the Rental Company all amounts secured by the Special Notarial Bond at that time, whether then due for payment or not; to enter upon the premises of the Rental Company or any other place where any of the movable assets is situated, and to take possession of the movable assets; institute any legal proceedings or employ such remedies or take such additional steps as the Security SPE may deem necessary in connection with the protection and/or any sale or other realisation or transfer of the movable Assets, including an order declaring the movable assets executable.

If the Rental Company fails to pay any amount payable by it under the Special Notarial Bond on its due date, then (without double counting) interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgement).

### **Counter Indemnity Agreement**

In accordance with the terms of the Counter Indemnity Agreement the Rental Company has agreed to indemnify and hold the Security SPE harmless in respect of the claims or losses which the Security SPE may suffer or incur as a result of or in connection with the Security SPE issuing or having issued the Debt Guarantee and other debt guarantees in favour of the other creditors, namely: (a) any claim made against or liability of the Security SPE, or amount paid or payable by the Security SPE, under the Debt Guarantee and other debt guarantees in respect of the guaranteed obligations; (b) any damage or loss suffered or incurred or which may be suffered or incurred by the Security SPE under the Debt Guarantee and other debt guarantees in respect of the guaranteed obligations (including any loss, liability, damage, claim, cost or expense of whatsoever nature plus legal costs as between attorney and own client), as a result of or in connection with the Security SPE having executed, furnished, or taken any action to enforce its rights under the Debt Guarantee and other debt guarantees in respect of the guaranteed obligations or the Counter Indemnity Agreement.

The liability of the Rental Company under the Counter Indemnity Agreement is limited to the amount of the secured (guaranteed) obligations.

The Rental Company undertakes to pay the Security SPE, upon first written demand, unconditionally and without objection, the amount which has been demanded from the Security SPE in respect of the guaranteed obligations under the Debt Guarantee and other debt guarantees, including any and all costs, fees or expenses incurred by the Security SPE in enforcing the rights hereunder or under any of the Security Documents.

The Security SPE shall have immediate recourse against the Rental Company under the Counter Indemnity Agreement upon and at any time following the occurrence of a default event, provided that the creditors made a respective decision in line with the provisions of the Intercreditor Agreement.

Upon the occurrence of a default event, the Rental Company nominates and appoints the Security SPE, or any other person nominated by an officer of the Security SPE, as the Rental Company's attorney and in its name and otherwise on its behalf, jointly and also severally to sign, execute, seal, deliver and do all deeds, instruments, acts and things which the Rental Company is required and permitted in law to do under the Counter Indemnity Agreement or the Security Documents, or which are necessary or desirable to enable the Security SPE or its delegates to exercise their respective powers under the Counter Indemnity Agreement.

As security for its obligations under and in terms of the Counter Indemnity Agreement, the Rental Company undertakes to provide to the Security SPE all the security to be established (or intended to be established) under the Security Documents to which the Rental Company is required to be a party and to maintain in full force and effect all such security for the duration of the Counter Indemnity Agreement.

### **Debt Guarantee**

In accordance with the Debt Guarantee, the Security SPE issues a guarantee in favour of the SPV for the due, complete and punctual performance by the Rental Company of the obligations under the Cooperation Agreement and Cooperation Agreement on Issuance of Loans. The Security SPE irrevocably and unconditionally guarantees to Mintos the full, prompt and complete performance of all of the guaranteed obligations.

The Security SPE undertakes to the SPV that if, at any time, the Rental Company is in default of the payment or performance of the guaranteed obligations, the Security SPE will, on first written demand from the SPV, pay any and all sums which may be payable in respect thereof as if the Security SPE instead of the Rental Company was expressed to be the principal obligor in respect thereof, together with interest or default interest thereon.

The obligations of the Security SPE under the Debt Guarantee are intended to be primary obligations. The Security SPE accepts liability as a principal obligor.

The Debt Guarantee shall be a continuing covering security and shall remain in full force and effect until the unconditional and irrevocable payment or performance of all of the guaranteed obligations, notwithstanding any intermediate payment in whole or in part of the guaranteed obligations and shall apply to the ultimate balance.

Under the Debt Guarantee, the Security SPE waives any right it may have of first requiring the SPV, before exercising any of the rights, powers or remedies conferred upon by the Debt Guarantee or by law against the Security SPE, to proceed against the Rental Company or any of them, or enforce any guarantee or security granted by, or any claim, right or remedy against the Rental Company or any other person, before enforcing the security constituted hereby.

The maximum aggregate amount receivable from the Security SPE under the Debt Guarantee shall be limited to the net proceeds of recovery on enforcement by the Security SPE of its rights and remedies against (i) the Rental Company under the Counter Indemnity Agreement, and (ii) the security granted by the Rental Company pursuant to the Security Documents, save that the Security SPE's liability hereunder shall never exceed the guaranteed obligations.

All payments to be made by the Security SPE hereunder shall be made in immediately available funds to such account/s as the SPV may specify, and shall be made free of exchange, any other costs, charges or expenses without any deduction, set-off or counterclaim whatsoever.

### **Intercreditor Agreement**

In accordance with the terms and conditions of the Intercreditor Agreement, the Rental Company, the Co-Obligor, Security SPE, the SPV and other creditors of the Rental Company have agreed to enter into the Intercreditor Agreement in order to set out provisions relating to the taking of decisions inter alia in relation to the exercise of enforcement actions under the respective principal agreements, and to set out certain other arrangements which shall apply among the parties.

The decision to enforce on the security and instruct the Security SPE respectively can be made either by (i) a majority of the Rental Company's creditors which is based on the amount of the financing granted to the Rental Company by each of the creditors or (ii) by each of the creditors independently with regards to the security designated in favour of each of the creditor separately. Except as stated above, any decision in relation to any provision of a principal agreements of other creditors which, if implemented, would amend, vary, waive, release or impair the effectiveness or value of any Security Document or any of the security or any part thereof requires the unanimous instructions of all of the Rental Company's.

Based on the decision to enforce the security, the Security SPE shall be served with a notice on the enforcement and respective instructions on how to enforce the security and exercise all or any rights, powers, authorities by the Security SPE.

Enforcement and sharing among the creditors depend if the enforcement was initiated by a separate creditor with respect to its designated security or if the enforcement was initiated by the majority of the

Rental Company's creditors.

In case the enforcement was initiated by a separate creditor, including the SPV, then the sharing is done in the following order: firstly, towards the payments to the Security SPE for the enforcement of the security, secondly, in or towards to such enforcing creditor, and other surplus shall be returned to the Rental Company. In case the enforcement is initiated by a majority of the Rental Company's creditors, then the sharing is done in the following order: firstly, towards the payments to the Security SPE for the enforcement of the security, secondly, the recoveries from the each creditor's designated security shall be distributed in favour of the respective creditor, all other recoveries from the security not specified as a designated in favour of any of the creditor shall be paid on *pari passu* and pro rata basis depending on the each creditor's facility outstandings, and then all the funds left after enforcing on the designated security shall be distributed on a *pari passu* and pro rata basis, and then rest surplus shall be returned to the Rental Company.

The Intercreditor Agreement also prescribed further enforcement actions in case the creditors did not satisfy their claims in full.

Intercreditor Agreement prescribes the procedure on the security designation notice which serves as a basis for identification of the receivables and security in favour of the respective creditor where such notice shall be issued by the Rental Company on a monthly basis. As well as prescribes the procedure on designating and updating the specified movable assets arising out of the Special Notarial Bond which shall be done on a monthly basis by registering separate collateral bonds.

### **Promissory Note**

In order to secure its obligations under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans, the Co-Obligor will issue the Promissory Note in favour of the SPV. Under the Promissory Note, the Co-Obligor unconditionally undertakes to pay the amount of the promissory note to the SPV entitled on the basis of and specified in the note at the maturity specified in the note.

Promissory Note is structured and governed with the laws of the Republic of Estonia and shall contain all the necessary and prescribed by the law details, and unconditional undertaking by the Co-Obligor to pay the amount of the note.

Promissory Note is characterised by a simplified procedure of the enforcement which provides for a faster recovery of the potential debt.

### **The Subordination Agreement**

#### *General*

Parties to the Subordination Agreement (amended, restated and/or supplemented from time to time) are the Issuer, Mintos, the Co-Obligor, and the Rental Company (hereinafter in this section - the Parties).

According to the provisions of the Subordination Agreement the Parties agree to subordinate the repayment obligations of the Rental Company of certain specified debt towards the Co-Obligor (hereinafter in this section - Junior Liabilities) under certain loan agreements between the Co-Obligor and the Rental Company (hereinafter in this section - the Co-Obligor Loan Agreements) and to establish the outstanding loans under the Co-Obligor Loan Agreement as the Junior Liabilities comparing to the obligations of the Rental Company towards the Issuer and Mintos under the Cooperation Agreement together with all liabilities arising from any refinancing, deferral or extension of any of the above-mentioned liabilities and any claim for damages or restitution or arising as a result of any recovery of a

payment or recovery of discharge on the grounds of preference in respect of the above-mentioned liabilities (hereinafter in this section - Senior Liabilities) which shall be ranked senior to the Junior Liabilities.

The Rental Company and the Co-Obligor undertake to amend the Co-Obligor Loan Agreements and ensure that the Junior Liabilities shall become due and payable on the first business day occurring after the date on which all Senior Liabilities have been fully and irrevocably paid to Mintos and the Issuer and the Cooperation Agreement have terminated or the date occurring in 10 (ten) year after the repayment date under the Co-Obligor Loan Agreements (whichever occurs earlier).

Subordination Agreement defines an amount of the outstanding loans subordinated thereof, certain obligations of the Co-Obligor and the Rental Company, and sets certain conditions on the treating of the Senior Liabilities in any winding up, bankruptcy, insolvency, reorganisation, composition of debts or similar proceedings or arrangement commenced by or against the Rental Company.

#### *Rights and obligations*

The Rental Company and the Co-Obligor undertake to ensure that there is no breach of the provisions of the Subordination Agreement.

Moreover, the Rental Company shall not:

- a) repay or prepay any principal, or pay any default interest, contractual penalties, fees or commissions or other similar payments on, or by reference to, all or any of the Junior Liabilities unless after or prior of such repayment there is no breach of adjusted equity ratio and certain other financial ratios and covenants set in the Cooperation Agreement;
- b) grant any security, guarantee or other assurance in respect of the Junior Liabilities;
- c) take any action or step related to the bankruptcy, liquidation or reorganisation of the Rental Company (except as required under the applicable law), or any action or step which might lead to termination or adversely affect the subordination under the Subordination Agreement;
- d) exercise any set-off in relation to the Junior Liabilities.

The Co-Obligor shall not assign or otherwise transfer claims arising out of the Co-Obligor Loan Agreements, and the Rental Company and the Co-Obligor shall not make any amendments and not enter into any additional agreement related to the Co-Obligor Loan Agreements without a written consent Mintos except for the amendments that do not affect the subordinated loan materially.

The Co-Obligor shall not without the prior written consent of Mintos:

- a) receive any principal repayments made by the Rental Company in relation to the Junior Liabilities, unless such repayments are permitted;
- b) demand or accept any security, guarantee or any other assurance in relation to the Junior Liabilities, or assign or otherwise dispose any of its rights against the Rental Company in relation to the Junior Liabilities;
- c) take any action or step related to i) commence any proceeding or actions against the Rental Company in relation to the Junior Liabilities; ii) to the bankruptcy, liquidation or reorganisation of the Rental Company; iii) or any action or step which might lead to termination or adversely affect the subordination under the Subordination Agreement;

- d) exercise any set-off in relation to the Junior Liabilities, unless specifically permitted under the Subordination Agreement.

Under the terms of the Subordination Agreement, if any payment or other kinds of performance of an obligation, which is made by the Rental Company to an affiliate of the Co-Obligor shall be deemed as a payment or other performance made in order to discharge Junior Liabilities unless the Rental Company or the Co-Obligor proves otherwise.

If the Co-Obligor have received the payments towards the settlement of the Junior Liabilities prior to the Rental Company having fulfilled all of its liabilities towards Mintos and the Issuer, the Co-Obligor shall immediately notify Mintos of such fact and transfer the respective amount in 7 days from the date of the respective Mintos notice.

#### *Liability*

For breach of certain provisions of the Subordination Agreement, the violating party pays to Mintos a contractual penalty in the amount established under the Subordination Agreement. If the provisions of the Subordination Agreement are breached by both the Rental Company and the Co-Obligor, they shall be both jointly and severally liable for the breach and payment of the penalty. The penalty shall be paid in 5 (five) Business Days.

Mintos shall not be liable for any losses arising in connection with the exercise or purported exercise of any of their rights, power and discretion under or related to the Subordination Agreement except for any losses arising due to gross negligence or their wilful misconduct.

#### *Term and termination*

The Subordination Agreement commence on the signing of the Subordination Agreement by the Parties and are in full force and effect until the Rental Company has fulfilled the liabilities arising from the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans in full.

#### *Governing law*

The Subordination Agreements and any non-contractual obligations arising out of, or in connection with, governed by and shall be construed in accordance with the laws of the Republic of Latvia.

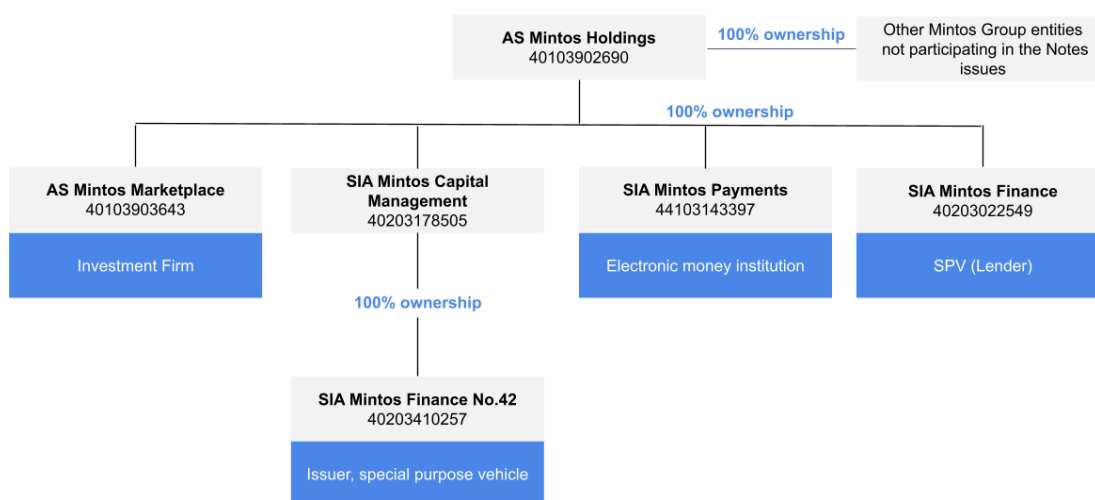
## 5. THE ISSUER

### ○ General

The Issuer is a special purpose undertaking established for the sole purpose of issuing and offering Notes to Investors on the Platform, which are backed by the Loan Receivables. The Issuer does not take part in any other business activities.

The Issuer is incorporated as a limited liability company and registered in the Commercial Register of the Enterprise Register of the Republic of Latvia on 30 June 2022 under the name SIA Mintos Finance No. 42 with registration number 40203410257. It operates under the laws of the Republic of Latvia and has its registered office at Skanstes street 52, Riga, LV-1013, Latvia. The Legal Entity Identifier (LEI) of the Issuer is: 984500KA46200UD3GE97.

The registered share capital of the Issuer is EUR 2800 consisting of 2800 shares each having a nominal value of EUR 1. Each share is entitled to one vote. The sole shareholder of the Issuer is SIA Mintos Capital Management, registration No 40203178505.



The Issuer has no subsidiaries and does not own any shares or equity. The Issuer is managed by the Management Board, the members being appointed by the sole shareholder of the Issuer.

Title	Name	Other roles
Chairman of the Management Board	Martins Sulte	Chairman of the Management Board of AS Mintos Holdings, SIA Mintos Capital Management, SPV and Mintos
Member of the Management Board	Martins Valters	Member of the Management Board of AS Mintos Holdings, SIA Mintos Capital Management, SPV and Mintos

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, the current articles of association (Statutes) of the Issuer can be accessed on [www.mintos.com](http://www.mintos.com).

- **Activities**

The activities of the Issuer are as follows:

- issue and publicly offer Notes to the Investors, including preparation, submission to the FCMC and publication on the Platform of this Base Prospectus;
- purchases of Loan Receivables from the SPV arising from the Loans issued to the Rental Company;
- payments under the Notes through Mintos, subject to receiving relevant funds from the SPV and/or Rental Company; and
- publication of financial and other information to Investors in accordance with applicable law.

- **Financial information**

At the date of this Base Prospectus, the Issuer has not commenced any operations, and accordingly, no financial statements have been prepared. The financial statements will be prepared in accordance with the Latvian Generally Accepted Accounting Principles (GAAP).

For accounting purposes, Loan Receivables are classified as a pass-through of a financial asset under International Financial Reporting Standard (IFRS) 9 3.2.5.

The appointed auditors of the Issuer for the financial year 2022 are "KPMG Baltics SIA", registered in the Republic of Latvia on 16 December 1994 with registration number 40003235171.

- **Authorisation**

The establishment of this Programme and the issue of Notes have been duly authorised by decisions of the sole shareholder of the Issuer on 20.10.2022.

- **Significant or material change**

At the date of this Base Prospectus, there has been no significant or material change in the financial position of the Issuer since the date of incorporation of the Issuer.

- **Litigation**

The Issuer (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.



## 6. MINTOS

Mintos, under the name AS Mintos Marketplace, was registered as a joint-stock company on 1 June 2015 in the Commercial Register, Enterprises Register of the Republic of Latvia with the unified registration number 40103903643.

All the shares in Mintos are held by AS Mintos Holdings.

Mintos has been authorised as an investment firm by the FCMC on 17 August 2021 to provide following investment services and ancillary services:

- execution of orders on behalf of clients;
- dealing on own account;
- portfolio management;
- investment advice;
- placing of financial instruments without a firm commitment basis;
- holding of financial instruments;
- currency exchange services, if they are related to the provision of investment services;
- providing investment research, financial analysis or other general advice regarding transactions in financial instruments; and
- provision of services related to the initial placement of financial instruments.

Mintos provides services in Latvia. Mintos has not commenced provision of services in other countries as of the date of this Base Prospectus but may do so during the validity period of this Base Prospectus.

Cash funds of Investors are held by Mintos with one of the partner banks including AS LHV Pank (Estonia) and SE Baltic International Bank (Latvia).

Mintos owns and operates the Platform which is the technical infrastructure through which (a) the SPV (Lender) sells Loan Receivables to the Issuer, (b) the Issuer offers and sells Notes to Investors and (c) information exchange and money flows occur between Investors, the Issuer, SPV, the Rental Company and/or the Co-Obligor.

- Key activities performed by Mintos with respect to Notes are as follows:
  - Opens and services Investment Accounts for investors and (a) carries out anti-money laundering, combating the financing of terrorism and know your client policies and procedures, (b) carries out appropriateness and suitability tests, (c) responsible for compliance with product governance requirements and (d) informs Investors regarding the risks inherent in the products and services depending on the status of the Investor.
  - Prepares this Base Prospectus and engages lawyers and other advisors and submits it to the FCMC for approval.
  - Operates the Platform for (a) Investors to acquire Notes, exchange currencies related to investment services and transactions with Notes and receive automated portfolio management

services and (b) the Issuer and the Rental Company to transfer title in the Loan Receivables and exchange information in relation to the Loan Receivables.

- Acts as an assignment, placement, calculation, transfer and paying agent for the Notes including (a) transfer of funds to the Issuer following placement of Notes, (b) settlement of payments due between the Issuer, the Rental Company and/or the Co-Obligor, (c) payments to the Investment Accounts, (d) provides information regarding Investors to the Issuer to calculate any withholding taxes on payments and (e) provides information on Payment Events through API from the Rental Company and/or the Co-Obligor.
- Maintains the register of Noteholders.
- Complies with the Transaction Documents including monitoring of compliance of the Rental Company and/or the Co-Obligor with the covenants and other provisions of the Transaction Documents. See the section entitled '4. TRANSACTION OVERVIEW – *TRANSACTION DOCUMENTS*' of this Base Prospectus for more information.
- Prepares and submits reports for legal and regulatory purposes to the FCMC, the Latvian State Revenue Service and others.

## 7. THE SPV (LENDER)

### ○ Business overview

The SPV is a special purpose undertaking established for the sole purpose of issuing loans to the Rental Company as well as several other lending and rental companies that Mintos cooperates with and selling those loans to the issuers for issuance of financial instruments as well as directly to the investors on Mintos Platform when the investors make investments by way of assignment agreements. Loan Receivables sold to the Issuer back the Notes issued and offered to Investors on the Platform. The SPV does not take part in any other business activities.

The SPV is incorporated as a limited liability company (in Latvian: *sabiedrība ar ierobežotu atbildību*) and registered in the Register of Enterprises of the Republic of Latvia on 29 September 2016 under the name SIA Mintos Finance with registration number 40203022549. It operates under the laws of the Republic of Latvia and has its registered office at Skanstes 50, Riga, LV-1013, Latvia.

The share capital of the SPV is EUR 2800 consisting of 2800 shares having a nominal value of EUR 1 per share, which are fully paid up. Each share is entitled to one vote. The sole shareholder of the SPV is AS Mintos Holdings.

The SPV has no subsidiaries and does not own any shares or equity.

The SPV is managed by the Management Board, the members being appointed by AS Mintos Holdings as the sole shareholder of the SPV.

Title	Name	Other roles
Chairman	Martins Sulte	Chairman of the Management Board of AS Mintos Holdings, SIA Mintos Capital Management, Mintos and Issuer
Member	Martins Valters	Member of the Management Board of AS Mintos Holdings, SIA Mintos Capital Management, Mintos and Issuer

### ○ Activities

The activities of the SPV are as follows:

- issue Loans to the Rental Company and loans to other lending and rental companies that use Platform;
- sell Loan Receivables that arise from Loans to the Issuer;
- transfer Loan repayment received from the Rental Company and/or the Co-Obligor to the Issuer;
- publication of financial and other information to Investors in accordance with applicable law.

### ○ Loans

The Rental Company concludes Rental Agreements with Renters, then requests disbursement of a loan from the SPV in an amount that is no more than 90% of the vehicle's purchase price that the Rental Company has to pay to the dealer according to its invoice, less the down-payment the Rental Company has agreed with the Renters that it shall pay according to the Rental Agreement. The Issuer issues a

Series of Notes corresponding to these Loan Receivables to Investors via Mintos. When an Investor purchases any Note of the Series, the Investment Accounts are credited with the Note and debited with the purchase price of the Note. The purchase price is transferred to the SPV. After receipt of the purchase price the SPV makes the disbursement of Loan to the Rental Company.

Loans issued by the SPV to the Rental Company have the same schedule as the Rental Agreements to which the repayment of Loans is tied to. Hence, the average Loan term and its range are expected to be the same as described in the section 10 'THE RENTAL AGREEMENTS'.

Loans are secured by the security documents as described under the Transaction Documents section.

- **Financial information**

The latest available reviewed historical financial statements of the SPV prepared in accordance with the law "On Accounting" and the "Law on the Annual Financial Statements and Consolidated Financial Statements" is available on Mintos website:

- [Reviewed financial statements 2020](#)

The Independent Auditors' Review Report includes the following Emphasis of Matter:

"We draw attention to section *Accounting principles* of Note 2 to the financial statements *Summary of accounting principles used*, which describes that comparatives for the year ended 31 December 2019 disclosed in the attached financial statements were adjusted. Our opinion is not qualified in respect of this matter."

- [Financial statements 2021 \(unaudited\)](#)

According to the *Law on the Annual Financial Statements and Consolidated Financial Statements*, SPV is categorised as a small undertaking, and requirement on audit (review) of the annual statement (Section 91) and requirement on limited review of the annual statement (paragraph 2 of Section 92) do not apply to it.

- **Auditors**

The appointed auditors of the SPV for the financial year 2022 are "KPMG Baltics SIA", registered in the Republic of Latvia on 16 December 1994 with registration number 40003235171.

- **Litigation**

The SPV (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the SPV is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the SPV.

## 8. THE RENTAL COMPANY

### ○ **Business overview**

The Rental Company, a private company incorporated on 12.06.2017, is a rent-to-own car subscription provider based in Johannesburg, South Africa, and operates under the laws of the Republic of South Africa. The licence is not required to provide car rental services in South Africa.

The Rental Company (operating under the brand “Planet42”) offers a termless rental contract (fully amortised at 60 months) with the option to buy out the vehicle at any time. It targets individuals who are “underbanked”, meaning that they have stable incomes but fail to receive any credit products from traditional South African banks and finance houses because they are considered too risky. In most cases, these people would not have access to transport at all without the Rental Company. Also, Rental Company's customers usually have the end goal of owning their own vehicle, not short-term rental.

The Rental Company conducts credit assessments online in the span of 60 seconds. After the first approval, the client receives an indicative total financed amount and monthly payment amount, after which they can choose their desired vehicle from one of the Rental Company's 850+ partnered dealerships. The client is validated once more, pays a deposit, and their preferred vehicle is bought out by the Rental Company, after which the client rents it from the Rental Company. The convenient and socially inclusive service of the Rental Company is highly valued by customers.

For a more detailed description of the business activities, including key strengths and strategy please refer to *section 11 ‘THE CO-OBLIGOR’*.

### ○ **Rental Agreements**

The Rental Company offers only one product, which is the rent-to-own car subscription described in section 10 ‘THE RENTAL AGREEMENTS’. The average rental contract total financed amount is EUR 6800 and the average monthly payment is EUR 413.

### ○ **Financial information**

The latest available historical financial information prepared according to IFRS for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa of the Rental Company is available on Mintos website. The currency used in the audited financial reports is South African rand (ZAR); management report for Q2 2022 is prepared in Euro currency:

[Audited financials 2020](#) (EUR/ZAR: 17.42 as of 08/09/2022)

[Audited financials 2021](#) (EUR/ZAR: 17.42 as of 08/09/2022)

[Financials Q2 2022](#)

### ○ **Auditors**

The statutory auditors of the audited financial statements for the financial year ended 31 December 2020 was PricewaterhouseCoopers Inc., incorporated under the laws of the Republic of South Africa, having its registered office at 4 Lisbon Lane, Waterfall City, Jukskei View, 2090 and registered under registration number 1998/012055/21.

The statutory auditors of the audited financial statements for the financial year ended 31 December 2021 was KPMG Inc., incorporated under the laws of the Republic of South Africa, having its registered office at 85 Empire Road, Parktown, 2193 South Africa and registered under registration number 1999/021543/21.

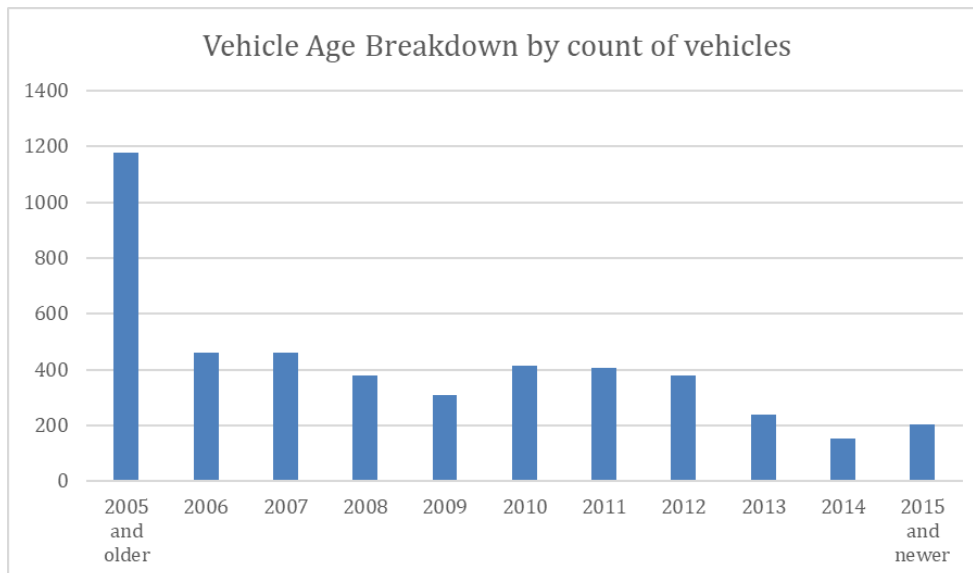
- **Litigation**

The Rental Company (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Rental Company.

- **Rental Object description**

The Rental Company's main focus is renting out used vehicles. Hence, the average vehicle purchase price value of the whole historical rental portfolio is ~6,100 EUR. The Rental Company does not explicitly push used cars, clients have free choice in choosing their preferred vehicle, constrained by the total financed amount and the vehicles the specific dealer the client is visiting has in stock at the time. The vehicles are not stored anywhere, the Rental Company only purchases a vehicle if it is to be rented out to a client. Returned vehicles are stored at one of the larger partnered motor dealer locations until auctions/being rented out again in another contract.

The majority of vehicles are Volkswagen, BMW, Ford followed by Hyundai, Mercedes, Toyota, Audi and other brands (*table below represents data as of August 2022*).



- **Process and criteria of concluding Rental Agreements**

The steps in the car subscription underwriting process include, in order (i) customer application for a car subscription and automatic assessment, (ii) customer registration and identification, (iii) customer income verification and further risk assessment, (iv) Rental Agreement on and issuance of the subscription product.

The underwriting and scoring process is automated to the maximum extent possible. The Rental Company uses a 1-minute logistic regression credit-scoring algorithm. The algorithm pools data from the South African credit-bureau, the customer's social profile, IP, age, income and more. The scoring algorithm sets the customer's deposit, affordability (the maximum monthly payment the Rental Company can take), the total financed amount and the product interest rate equivalent.

Once the client has been scored and approved initially, the process continues with an extensive manual review of identification documents, driving licences and bank statements. The bank statement review has two main goals. First, to confirm the client's posted income. If the income differs, the client is

rescored and the values are adjusted accordingly, or the client is rejected if the deviation is more than 10% of the posted income. Second, to identify and reject clients with risk factors such as gambling transactions, high payment bounce-rate, other commitments etc.

The document upload and signing usually occurs at a dealership, meaning that part of the responsibility to reduce fraud is on the dealership. This is expected, as dealers are familiar with the process due to working with vehicle finance deals with traditional banks and finance houses.

The car subscription contracts (the Rental Agreements) are signed physically in the partnered dealership, from which the vehicle is bought out from.

- **Debt recovery management**

The debt recovery process is as follows:

1. The Renter who misses one rental payment receives an overdue payment reminder. The Renter will receive promise-to-pay notes at least 4 times a month to remind them of the outstanding payment and request a payment date. The Renters that are 1 to 60 days past due will receive these reminders automatically via SMS and WhatsApp until payment is made.
2. Once the payment is 60 to 120 days past due, the Renter will continue receiving automated payment reminders, in which the Renting Company mentions to them that they will be handed over for debt collection.
3. When the 3rd payment is missed (90 days past due) the Renters receive an automated termination warning advising them that their Rental Agreement will be terminated and are given 5 working days to make the respective payment.
4. The Renters that are 61 to 120 days past due can receive a matching payment offer (in which the Rental Company will offer to match any payment that they make in the month that the offer is sent, valid until the end of that month, to assist with reducing the arrears and bringing the Rental Agreement back up to date). Only Renters that have never received the matching payment offer, or who have received it before and were not able to make payment in the month that the offer was valid, will qualify for the matching payment offer, as long as they fall into the arrears bracket of 61 to 120 days past due.
5. Once the rental payment reaches 120 days past due, the Rental Agreement will be terminated, and the Renter is required to return the vehicle to a specified location within 2 days.
6. Once the Renter has returned the vehicle, the Rental Company sends a settlement letter to the Renter.

If there are the Renters who are non-responsive or do not cooperate, the Rental Company involves its repossession partners to act on their behalf to get the vehicles back.

The Renters default for various reasons, including financial difficulties (salary cut/ job loss), vehicle issues which they cannot pay for along with the rentals, pending insurance claims, i.e., they have written off their vehicle and stop making payments until the insurance claim is finalized.

- **Administrative, management and supervisory bodies**

The following table shows the main administrative, managerial, and supervisory positions of the Rental Company.

<b>Name</b>	<b>Position / function (date since)</b>	<b>Education and business experience summary</b>
Grant Wing	Country Manager (November 2019)	Grant started as a Chartered Accountant before moving to product development for

		Barclays Bank. Afterwards, he was the Head of Group Digital and Enterprise Risk at Attacq. At the Rental Company, Grant is responsible for the sustainable growth of the operation and sales team.
Marten Orgna	Director (July 2017)	Marten studied Economics and Business Administration at the Stockholm School of Economics in Riga as well as the City University of Hong Kong. Marten started as an analyst for Trigon Capital, and later moved to Mozambique to serve as the CFO at a cotton farming and logistics business Trigon had invested in.
Eerik Oja	Director (July 2017)	Eerik studied Economics and Business Administration at the Stockholm School of Economics in Riga and later worked as an analyst at Trigon Capital. In 2014, he became the Country Manager of Estonia for the alternative vehicle finance firm Eeving Group.

- **Shareholders**

The share capital of the Rental Company is South African rand (ZAR) 52,152,870 divided into participations with 1 voting right per share. The capital is fully paid up and all participations grant the same rights to the participation holders of the Rental Company.

100% of the Rental Company's issued participation rights are held by Inclusion OÜ, registered in Estonia under registration number 14204858 (the Co-Obligor).



## 9. THE LOANS

### ○ **Legal nature, jurisdiction and the applicable law of the Loans**

The Loans are business loans made under the Cooperation Agreement on Issuance of Loans and the respective SPV Loan Agreements concluded thereunder. The Cooperation Agreement on Issuance of Loans is an agreement of the respective parties on a revolving credit line with a maximum amount that is permitted for the Loans thereunder.

The interest for the reservation of funds and interest for use of the Loan accrue at the same rate. The interest for the reservation of funds accrues from the day when the SPV Loan Agreement was concluded until the Loan is advanced to the Rental Company, and from when the Loan is advanced the interest for the use of the Loan applies.

The Cooperation Agreement on Issuance of Loans and the SPV Loan Agreements are in the English language.

For more information on the Cooperation Agreement on Issuance of Loans see section entitled '4. TRANSACTION OVERVIEW – *THE TRANSACTION DOCUMENTS* – The Cooperation Agreement on Issuance of Loans'.

### ○ **Repayment and maturity**

The principal amount, the interest for the reservation of funds and interest for use of the Loan are payable when the Renter of the Rental Agreement that is the source of repayment of the respective Loan makes a payment thereunder to the Rental Company, however no later than until the maturity date set forth in the SPV Loan Agreement or as extended according to this Base Prospectus.

If before the final maturity date set forth in the SPV Loan Agreement the Repurchase obligation or rights are triggered or if the Buyback Obligation applies, the Rental Company and/or the Co-Obligor have to repay the Loan together with the interest and other ancillary payments accrued thereon when the respective obligation or right is triggered, irrespective of it being before the final maturity date.

For more information see section entitled '4. TRANSACTION OVERVIEW'.

### ○ **Security**

The obligations of the Rental Company arising out of the Cooperation Agreement on Issuance of Loans are secured by the security cession and special notarial bond over the specified receivables and guaranteed by the Security SPE in accordance with the debt guarantee under the law of the Republic of South Africa. The obligations of the Co-Obligor are secured by the promissory note established under the laws of the Republic of Estonia.

For more information see section entitled '4. TRANSACTION OVERVIEW'.

### ○ **LTV (loan to value)**

The maximum LTV for the credit line issued under the Cooperation Agreement on Issuance of Loans is 100%.

## 10. THE RENTAL AGREEMENTS

### ○ **Legal nature, jurisdiction and the applicable law of the Rental Agreements**

Under the Rental Agreements the Rental Company provides vehicles for the Renters to rent. The rental payments are payable in equal monthly amounts during the rent term.

The Renter is obligated to pay to the Rental Company a non-refundable deposit (i.e., down-payment) which is the precondition for the Renter to receive the vehicle.

The Rental Company will remain the title holder of the Object of Rent (as defined below). At the same time, the Renter is provided with an option to purchase the Object of the Rent in line with the Option to Purchase Agreement which is linked to the respective Rental Agreement. The Renter can exercise this option by paying the purchase amount which is indicated in the Renter's login area or as provided by the Rental Company. The sale agreement is concluded only if the Renter has paid the purchase price and the Renter is satisfied with the conditions of the purchased Object of Rent.

The Renter is responsible and liable for the payment of all fines and fees charged in respect of the vehicle.

In case the Renter fails to pay any amount due as per the Rental Agreement or commits any other breach as prescribed under the Rental Agreement, the Rental Company may demand immediate payment of the overdue amounts, terminate the Rental Agreement and/or take possession of the Object of Rent.

In the event that the Renter wishes to terminate the Rental Agreement, the Rental Company may impose a return fee which can equal either to (i) 6 (month) rental amounts plus 1 (one) month rental plus any overdue payment or to (ii) 1 (one) month rental plus any overdue payment depending on the duration of using the Object of Rent.

The Renter is required to pay for additional costs specified in the Rental Agreement, such as taxes charged on the vehicle.

The Rental Agreement is subject to the amendment and/or variation from time to time as provided in the section entitled '4. TRANSACTION OVERVIEW – *THE TRANSACTION DOCUMENTS* – Extensions' of this Base Prospectus.

The Rental Agreement is in the English language. The Rental Company has provided the Rental Agreement for informational purposes at [www.mintos.com](http://www.mintos.com). The Rental Agreement is governed by the laws and regulations of the Republic of South Africa.

### ○ **Object of Rent**

The Object of Rent are the vehicles, mainly cars. Objects of Rent are equipped with tracking devices and the Renter is prohibited from removing them. The Objects of Rent may be insured by the Rental Company and in such case the Renter is obliged to fulfil the insurance policies. All risk (including but not limited to the risk of accidents, damage to, and the theft or total loss of the vehicle) is passed to the Renter and remains with the Renter upon taking delivery of the Object of the Rent. The Renter is not entitled to take the Object of Rent outside of South Africa without consent of the Rental Company, as well as the Rental Company reserves the right to inspect the Object of Rent any reasonable time.

### ○ **Rent payments**

Under the Rental Agreement, the Renter makes monthly rent payments on a pre-agreed payment date

and in accordance with the payment plan. The Rental Agreements are termless, but the principal value of the vehicle is fully amortized at 60 months. There are no exceptions to this, the Rental Agreements always amortise at 60 months. The average effective duration of a rental agreement is 36 months.

The rental payments are done by a debit order. The Renter may not deduct any amount from the Renter's payments in terms of the Rental Agreement or pay an amount which is less than the agreed rental payment.

In case the agreement is terminated, and such a fact is disputed by the Renter, or in case the Object of Rent is damaged or being stolen, the Renter is still responsible for all rental payments.

- **Economic environment in South Africa**

The COVID-19 (coronavirus) pandemic is having a major impact on South Africa's economy leading to a 6.4% contraction in 2020, as the pandemic weighed heavily on both external demand even as the government implemented containment measures. This severe contraction is estimated to increase poverty with 2 million people living below the poverty line for upper-middle income countries, on \$5.5 per day in 2011 Purchasing Power Parity exchange rates (PPP).

The South African economy was already in a weak position when it entered the pandemic after a decade of low growth. In 2019, the economy grew by 0.1% partially caused by the resurgence of load shedding associated with operational and financial difficulties at the energy utility Eskom. South Africa's economic recovery in 2021 was benefiting from the favourable global environment (trade partners' growth and commodity prices).

- **General description of the Renters**

The Rental Company's customers are private underbanked individuals in South Africa. The Rental Company does not rent cars to legal entities and to private entities for explicitly commercial purposes (e.g., ride hailing, delivery). However, around 10% of the customers in the current rental portfolio are sole proprietors. 27% of Rental Company's customers in South Africa are female, 73% are male. The customer's average age is 44 years in the entire historical portfolio, and the average monthly income is 1,500 EUR (ZAR 24,909).

- **Rental agreements' portfolio data**

As of 30 June 2022, the Rental Company's total portfolio of gross receivables was EUR 48.7 million. The table below shows the Rental Company's vehicle rental portfolio in terms of Days Past Due (DPD).

*Vehicle rental agreements' portfolio breakdown by DPD*

The current part of the portfolio has remained above 65% for the previous six consecutive quarters, and the part of the portfolio that is overdue for longer than 60 days has been consistently under 20%.

<b>Days Past Due</b>	<b>2021Q1</b>	<b>2021Q2</b>	<b>2021Q3</b>	<b>2021Q4</b>	<b>2022Q1</b>	<b>2022Q2</b>
Current %	67%	73%	82%	76%	68%	65%
1-30 days %	7%	7%	6%	9%	12%	12%

31-60 days %	7%	5%	4%	6%	8%	7%
61-90 days %	4%	3%	3%	3%	4%	4%
91-120 days %	3%	3%	1%	2%	3%	4%
121-150 days %	3%	2%	1%	1%	2%	3%
151-180 days %	1%	1%	1%	1%	1%	2%
>180 days %	7%	6%	3%	2%	1%	3%

## 11. THE CO-OBLIGOR

**The Co-Obligor is acting as co-debtor under the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans which means that the Co-Obligor together with the Rental Company undertook to be jointly and severally liable for the debt arising out of the Cooperation Agreement and the Cooperation Agreement on Issuance of Loans.**

### ○ **Business overview**

The Co-Obligor is a private limited liability company incorporated on 15.02.2017 and existing under the laws of the Republic of Estonia, and having its registered office at Harjumaa, Tallinn, V. Reimani tn 3, 10124, Estonia.

The Co-Obligor is the head office of the group dealing with core functions that serve the strategy, business, operations, financing and growth of the entire group as well as provides certain services to its subsidiaries.

In 2017, the Co-Obligor initiated operations in South Africa under the Rental Company. In 2021, the Co-Obligor initiated operations in Mexico under P42 Mexico S.A de C.V.

In 2017, the Co-Obligor as the head office to hold the business in South Africa was founded by Marten Orgna and Eerik Oja, who noticed a trend of underbanked individuals not being able to access transportation via traditional methods such as leasing or car loans in South Africa. The business idea is motivated by many problems present in other emerging markets as well. First, the banks in South Africa are extremely conservative and risk averse. Generally, they only deal with the most trustworthy clients with the best credit histories and are quick to “blacklist” individuals. While “underbanked” people can get debit cards and bank accounts, access to credit products is very limited. Second, there is an extreme necessity for owning a vehicle in South Africa and other emerging markets. The public transportation system in South Africa is irregular, unreliable and dangerous. The commutes are usually long as well. On top of that, ride hailing is more of a luxury service, and short-term rental apps don't exist in the same way as in Europe. The founders made it their mission to democratize access to mobility via a socially inclusive rent-to-own car subscription product.

### ○ **Business strategy description**

The Co-Obligor's strategy is to be the leading medium to long-term car rental company in emerging markets and leverage its expertise in data science and operations to offer additional products and services in the future.

The main customer base and portfolio concentration is currently located in South Africa, where the Rental Company is also the market leader in the segment of used car medium to long-term rental. While that is the case, there is still room for further growth with continuous investment into providing more vehicles, optimizing the scoring algorithm, and providing additional products and services on top of car rental. Services such as insurance or offers for car maintenance.

Advanced GPS data analysis is also in development to provide people with intelligent notifications about their driving behaviour and vehicle status. For example, notifying people that they need to change their oil or that they are driving too fast. Using it will further reduce the Loss Given Default (LGD) of the Co-Obligor's subsidiaries and increase their competitiveness.

The current growth strategy relies on increasing issuance of rental contracts, for which the Co-Obligor is constantly raising capital. Currently, the Co-Obligor is only converting a small percentage of the best

customers into actual contracts due to funding limitations. Also, the Co-Obligor entered the Mexican market in 2021, and is planning to enter Brazil in 2023.

- **Key financial information regarding the Co-Obligor**

The tables below present key selected audited consolidated financial information for the Co-Obligor as at and for the financial years ended 31 December 2019, 31 December 2020, and 31 December 2021.

*Selected consolidated statement of comprehensive income data of the Co-Obligor (in Million EUR)*

	2019	2020	2021
Total comprehensive income for the year	-0.6	-1.7	-3.2

*Selected consolidated statement of financial position data of the Co-Obligor*

	2019	2020	2021
Net financial debt (in Million EUR)	5.2	6.2	32.6
Current ratio	0.89	4.6	0.6
Debt to equity ratio	-15.5	56.29	30.8
Interest cover ratio	0.08	-0.7	-0.31

*Selected consolidated statement of cash flows data of the Co-Obligor (in Million EUR)*

	2019	2020	2021
Net cash flows from operating activities	-3.5	-1.96	-24.4
Net cash flows from financing activities	3.7	5.0	21.9
Net cash flows from investing activities	-0.02	-0.04	-0.2

Full historical consolidated financial information and the audit reports of the Co-Obligor for the years 2020-2021 have been prepared in accordance with Estonian Financial Reporting standards, and are available online:

[Audited financials 2020](#)

[Audited financials 2021](#)

- **Auditors**

The statutory auditors of the annual financial statements (i.e., the audited consolidated financial statements of the Co-Obligor and its consolidated subsidiaries) as for the financial year ended 31

December 2020 was AS PricewaterhouseCoopers, incorporated under the laws of the Republic of Estonia, having its registered office at Pärnu mnt 15, 10141 Tallinn, Estonia and registered under number 10142876.

The statutory auditors of the annual financial statements (i.e., the audited consolidated financial statements of the Co-Obligor and its consolidated subsidiaries) as for the financial years ended 31 December 2021 was KPMG Baltics OÜ, incorporated under the laws of Estonia, having its registered office at Narva mnt 5, 10117, Tallinn, Estonia and registered under number 10096082.

- **Litigation**

The Co-Obligor (whether as a defendant or otherwise) is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Co-Obligor is aware) in the 12 months preceding the date of this Base Prospectus, which may have, or have in such period had, a significant effect on the financial position or profitability of the Co-Obligor.

- **Administrative, management and supervisory bodies**

The following table shows the main administrative, managerial and supervisory positions of the Co-Obligor.

<b>Name</b>	<b>Position / function (date since)</b>	<b>Education and business experience summary</b>
Eerik Oja	Chief Executive Officer (CEO) and Co-Founder (February 2017)	Eerik studied Economics and Business Administration at the Stockholm School of Economics in Riga and later worked as an analyst at Trigon Capital. In 2014, he became the Country Manager of Estonia for the alternative vehicle finance firm Eleveling Group.
Marten Orgna	Chief Financial Officer (CFO) and Co-Founder (February 2017)	Marten studied Economics and Business Administration at the Stockholm School of Economics in Riga as well as the City University of Hong Kong. Marten started as an analyst for Trigon Capital, and later moved to Mozambique to serve as the CFO at a cotton farming and logistics business Trigon had invested in.
Alexander James	Chief Risk Officer (CRO) (September 2021)	Alex holds a first-class Masters in nuclear physics from Birmingham University, UK. Prior to Planet42, Alex worked as a pricing actuary in London, then started a bespoke credit risk consultancy company in Estonia working to build underwriting and credit risk models with his team globally. Scorewise.co
Liisa Suvorova	Head of Growth (October 2020)	Liisa studied Economics and Business administration in the Stockholm School of Economics in Riga. Prior to Planet42, Liisa was working in the investment team of Karma

		Ventures, a European deep tech venture capital fund. Before that, she worked as a Corporate Client Executive and Head of Car Retail at Swedbank.
Aleksei Kurov	Chief Operating Officer (COO) (July 2022)	Aleksei studied Law in Estonia and worked in the UK in the Money Transfer field for 7 years, including for the global leader Western Union. After returning to Estonia Aleksei managed a Business Processes Outsourcing company and worked as COO in several Consumer Credit and Property Credit companies managing Risk, Business Analytics, Debt Collection and Customer service areas.
Kärt Ala	Human Resource Manager (August 2022)	Kärt has a MSc degree in Human Resource Management and Development from Tallinn University of Technology. Kärt has over 10 years' experience in different HR roles in production, banking and fintech companies. Prior to Planet42 she was Group HR Manager in a FinTech consumer lending company that operated in 7 countries.

- **Shareholders**

The share capital of the Co-Obligor is EUR 288 504. As of the date hereof the Co-Obligor has 111 shareholders. The Co-Obligor is a private limited company, as such each shareholder owns one share in the issuer, however, the nominal value of the shares owned differs amongst shareholders. Each EUR 0.01 of the nominal value of the share grants a shareholder one vote when adopting a shareholders' resolution. The following table shows the Co-Obligor's shareholders, who have ownership exceeding 10%.

<b>Name</b>	<b>Share %</b>	<b>Registration no.</b>	<b>Form of control</b>	<b>Domicile</b>
Morgen OÜ	25.65	12358089	Direct shareholder	Estonia
Tiny Hippo OÜ	25.65	12691498	Direct shareholder	Estonia
Relto Capital OÜ	17.38	11910136	Direct shareholder	Estonia



## 12. TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (the **Terms and Conditions**) which, together with the relevant Final Terms, will be applicable to the specified Series of Notes. The relevant Final Terms will complete the Terms and Conditions in relation to each Series of Notes.

Save where the context requires otherwise, references in the Terms and Conditions to **Notes** are to the Notes of one Series only, not to all Notes of other Series that may be issued under these Terms and Conditions.

In these Terms and Conditions, unless the context otherwise requires, words denoting the singular include the plural and *vice versa*.

In these Terms and Conditions, references to a specified Condition will be construed as a reference to that specific Condition of these Terms and Conditions as in force for the time being and as amended or supplemented from time to time.

The headings are inserted for convenience of reference only and will not affect the interpretation of these Terms and Conditions.

In these Terms and Conditions, reference to any other document will be construed as references to that document as in force the time being and as amended, supplemented or substituted.

The use of the word **including** means **including without limitation**.

Words and expressions used in these Terms and Conditions in capitals and not defined will have the meanings given to them in the Final Terms unless the context otherwise requires or unless otherwise stated.

### DEFINITIONS

In these Terms and Conditions, unless the context otherwise requires, the following definitions will apply:

**Aggregate Nominal Amount:** the aggregate nominal amount of the Notes as specified in the Final Terms.

**API:** application programming interface to exchange and transmit information and data in a structured form between the Issuer, the Rental Company and/or the Co-Obligor, and Mintos.

**Available Distribution Amount:** the amounts received by the Issuer from the Series Specific Loans.

**Backup Servicer:** the legal entity (if any) engaged by the Issuer to service and administer the Loans.

**Base Prospectus:** the base prospectus in relation to the Notes.

**Business Day:** any day on which banks in the Republic of Latvia are open for business, except for Saturdays, Sundays and national holidays of the Republic of Latvia.

**Buyback Obligation:** the obligation, if any payment under any of the relevant Rental Agreement is delayed by more than 60 days, for the Rental Company and/or the Co-Obligor to (i) repurchase the relevant Loan Receivable from the Issuer or (ii) to repay the respective Loan to the SPV in full together with accrued Interest and any Late Payment Interest.

**Co-Obligor:** Inclusion OÜ, a private limited liability company established on 15.02.2017, existing under the laws of the Republic of Estonia, registry code 14204858, having its registered address at Harju maakond, Tallinn, Kesklinna linnaosa, V. Reimani tn 3, 10124.

**Cooperation Agreement:** the cooperation agreement between the Issuer, SPV, the Rental Company,

the Co-Obligor and Mintos in relation to the Notes.

**Cooperation Agreement on Issuance of Loans:** the credit line agreement No. LVMM/06-07-2022-171 between the Rental Company as a borrower and SPV as a lender, the Co-Obligor and the Security SPE, whereby the said parties agree on how SPV's Loan Agreements are concluded and on the terms, and conditions of disbursement and repayment of the Loans issued to the Rental Company thereunder.

**Final Terms:** the final terms of the Notes.

**Grace Period:** the number of days specified in the Final Terms relating to any grace period in the Series Specific Loans for bank-to-bank payments, national holidays and specific debt collection policies of the Rental Company.

**Interest:** the interest under the Notes or the Series Specific Loans. Interest under the Series Specific Loans means both interest for the reservation of funds and interest for use of the Loan.

**Interest Accrual Periods:** the periods during which Interest accrues on the Notes as specified in the Final Terms.

**Interest Payment Date:** each date on which Interest is payable under the Notes as specified in the Final Terms.

**Interest Rate:** the rate at which Interest accrues on the Notes as specified in the Final Terms.

**Investment Accounts:** the financial instruments account and the cash account of the Investor opened with Mintos.

**Issue Date:** the issue date of the Notes being the date on which the Notes are first made available for subscription as specified in the Final Terms.

**Issuer:** **SIA Mintos Finance No. 42**, a limited liability company existing under the laws of the Republic of Latvia, registered on 30.06.2022 with the registration number 40203410257, having its registered address at Skanstes street 52, Riga, LV-1013, Latvia, a special purpose entity whose principal purpose is the issue of Notes and other financial instruments.

**Issuer's Account:** the cash funds account of the Issuer opened by Mintos which is used solely for settling payments with the Rental Company and/or the Co-Obligor, the Backup Servicer (if any), and the Noteholders.

**Late Payment Interest:** the Interest on any principal amount due but not paid under any Series Specific Loan which is calculated at the rate (the **Late Payment Interest Rate**) specified in the Final Terms on the principal amount due (if any).

**Loan Final Repayment Date:** the scheduled final repayment date of the Series Specific Loans as specified in the Final Terms.

**Loan Interest Payment Date:** each date on which Interest is payable under the Series Specific Loans as specified in the Final Terms.

**Loan Interest Rate:** the rate at which Interest accrues on principal amount outstanding of the Series Specific Loans as specified in the Final Terms.

**Loan Receivables:** the receivables of the SPV under the Series Specific Loans which have been assigned to the Issuer, which include 100% of the principal amount outstanding of the relevant Series Specific Loan.

**Loan Repayment Date:** each date on which the Series Specific Loans are redeemed as specified in the Final Terms.

**Maturity Date:** the scheduled maturity date of the Notes as specified in the Final Terms.

**Mintos:** AS Mintos Marketplace, a joint stock company registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia under unified registration number 40103903643 on 1 June 2015, having registered address: 50 Skanstes Street, Riga, LV-1013, Latvia.

**Noteholder:** each person who appears as a holder of any Note from time to time in the electronic register maintained by Mintos.

**Notes:** notes issued or to be issued by the Issuer.

**Payment Event:** the date on which (a) information on the Renter's Payments received by the Rental Company and/or the Co-Obligor is communicated to the Issuer and Mintos through API in accordance with the Transaction Documents OR a payment has become due according to the payment schedule of the Loan as specified in point 1.2.22. of the Final Terms, (b) the right or obligation arises under the Buyback Obligation or Repurchase, (c) any full or partial prepayment of any of the Series Specific Loans occurs, (d) any breach of the repayment schedule of any of the Series Specific Loans occurs, (e) any extension of the repayment schedule of any of the Series Specific Loans pursuant to Condition 11.4 occurs and (f) any change to any of the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date of one or more Series Specific Loan occurs.

**Principal Amount Outstanding:** the Aggregate Nominal Amount multiplied by the Sink Factor.

**Priority of Payments:** the priority of payments set out in Condition 7.

**Purchase Agreement:** part of the Cooperation Agreement relating to the purchase by the Issuer and sale by the SPV of the Series Specific Loan.

**Redemption Date:** each date on which the Notes are redeemed as specified in the Final Terms.

**Rental Agreement:** Each rental agreement between the Rental Company as the lessor and the Renter as specified in applicable SPV Loan Agreement and Final Terms.

**Rental Company: INCLUSION SOUTH AFRICA**, a private company, incorporated on 12.06.2017 under the laws of the Republic of South Africa, registration number 2017/256375/07, having its registered address at 37 Elizabeth Avenue, Linmeyer, Johannesburg, Gauteng, 2190, South Africa.

**Renter:** the lessee under the Rental Agreement.

**Renter's Payments:** any payments made by the Renter under the Rental Agreements linked to the Series Specific Loans.

**Repurchase:** the right or obligation for the Rental Company and/or the Co-Obligor to repurchase the relevant Loan Receivables from the Issuer on the occurrence of certain events specified in the Cooperation Agreement (as outlined in the section entitled '4. TRANSACTION OVERVIEW – THE DESCRIPTION OF THE TRANSACTIONS IN RELATION TO THE NOTES – Exercising of Repurchase' of the Base Prospectus).

**Security Documents:** means the Security Cession Agreement, Special Notarial Bond, Counter Indemnity Agreement, Debt Guarantee, and Intercreditor Agreement.

**Security SPE:** BOWWOOD AND MAIN NO 312 (RF), a private company incorporated on 24.03.2020 under the laws of the Republic of South Africa with registration number 2020/172501/07 and having its registered address at 3rd Floor, 200 on Main, CNR Main and Bowwood Roads, Claremont, Western Cape 7708, South Africa.

**Series:** Notes with the same Issue Date and the same Terms and Conditions (including as to the Series Specific Loans) and identified in the relevant Final Terms as forming a series.

**Series Specific Loan:** each loan agreement between the SPV as lender and the Rental Company as a borrower as specified in the applicable Final Terms.

**Sink Factor:** a fractional number between 0 to 1 (inclusive) up to 16 decimal figures as determined by the Issuer from time to time which reflects the then Principal Amount Outstanding taking into account any partial redemptions of the Notes.

**Specified Currency:** the currency of the Notes as specified in the Final Terms.

**Specified Denominations:** the specified denominations of the Notes as specified in the Final Terms.

**SPV Loan Agreement:** each loan agreement between the Rental Company and the Co-Obligor as a borrower and the SPV as a lender as specified in the applicable Final Terms.

**SPV: SIA Mintos Finance,** a limited liability company existing under the laws of the Republic of Latvia, registration number 40203022549, having its registered address at Skanstes iela 50, Riga, LV-1013, Latvia.

**Subordination Agreement:** agreement between Mintos, the SPV, the Issuer, the Rental Company, liabilities of the Rental Company towards which under the Cooperation Agreement and Cooperation Agreement on Issuance of Loans are the senior liabilities, and the Co-Obligor as creditor which certain liabilities of the Rental Company towards it are junior liabilities, and whereunder the junior liabilities are subordinated to the senior liabilities on the terms and conditions agreed by the parties to the Subordination Agreement.

**Transaction Documents:** the Cooperation Agreement, the Cooperation Agreement on Issuance of Loans, SPV Loan Agreement, the Transfer Document, the Subordination Agreement, and the Security Documents.

**Transfer Document:** the document generated by Mintos evidencing the transfer of Loan Receivables from the SPV to the Issuer in accordance with the Purchase Agreement.

## 1. UNDERTAKINGS OF THE ISSUER

The undertakings in this Condition 1 remain in force for so long as any of the Notes are outstanding.

### 1.1 *Authorisations and compliance with laws*

The Issuer will promptly obtain, comply with and do all that is necessary to maintain in full force and effect any authorisation required under any law or regulation of Latvia to enable it to perform its obligations under the Notes or own title in the Loan Receivables, and carry on its business as it is being conducted. The Issuer will comply in all respects with all laws to which it is subject.

### 1.2 *Negative covenants*

Other than in connection with the Notes or as provided in the Base Prospectus, the Issuer will not:

- (a) sell, transfer, create any security over or otherwise dispose of any of the Loan Receivables;
- (b) incur or permit to be outstanding any financial indebtedness;
- (c) be the creditor in respect of any loan or any form of a credit to any person, other than the Rental Company or as permitted under the Transaction Documents;

- (d) give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person;
- (e) carry on any business other than as a special-purpose pass-through undertaking established for the purpose of issuing and offering Notes, which are backed by the Loan Receivables, to Investors on the Platform; or
- (f) use the Issuer's Account for any purpose other than as provided in these Terms and Conditions and the Transaction Documents.

## **2. GENERAL**

- 2.1 The Issuer under these Terms and Conditions together with the corresponding Final Terms has authorised the creation, issue and sale of the Notes to provide funds to the Issuer to purchase Loan Receivables in accordance with the Purchase Agreement. The issue of Notes on the Issue Date specified in the Final Terms will correspond to the Issuer obtaining title to the Loan Receivables with a total amount equal to the Aggregate Nominal Amount.
- 2.2 Subject to Condition 25, the Issuer will obtain the title to the Loan Receivables on the condition that Mintos has determined that it has all the data it requires in relation to the Loan Receivables in accordance with the Purchase Agreement and the Transfer Document. The condition in no case implies either the Issuer or Mintos has any obligation to examine, verify or assess such data, including, through the use of any documentary evidence.
- 2.3 In each case where amounts of principal, Interest, other return and additional amounts (if any) are payable in respect of the Notes, the obligations of the Issuer to make any such payment will constitute an obligation only to account to the Noteholders on each date on which such amounts are due, for an amount equal to amounts of principal, Interest, other return and additional amounts (if any) actually received by the Issuer in relation to the Series Specific Loans.
- 2.4 Neither the Issuer nor Mintos are liable to make any payments in respect of the Notes other than as expressly provided in these Terms and Conditions.
- 2.5 Save for any fees payable to the Rental Company, Mintos and the Backup Servicer (if any), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer of the Notes.

## **3. STATUS**

- 3.1 The Notes constitute direct, general, unsubordinated and limited recourse debt obligations of the Issuer, which rank *pari passu* among themselves; and at all times these obligations rank at least *pari passu* with all other present and future direct, general, unsubordinated and limited recourse obligations of the Issuer arising from the present and further Series, except for those obligations as may be preferred by applicable law.
- 3.2 No proprietary or other direct interest in the Issuer's rights under or in respect of any of the Transaction Documents, the Purchase Agreement, the Transfer Document, the Security Documents and the Loan Receivables, exists for the benefit of the Noteholders. Subject to these Terms and Conditions, no Noteholder will and will have any right to enforce any of the Transaction Documents and the Loan Receivables, or any direct recourse to any of the Rental Company, the Renters, and the security provider under the Security Documents.

## **4. FORM**

The Notes are issued by the Issuer in registered form which are deposited and held as book-entry with Mintos.

## **5. ISSUE OF NOTES**

The Notes are issued on the Issue Date in the Aggregate Nominal Amount, the Specified Denominations and the Specified Currency as specified in the Final Terms.

## **6. REGISTER, TITLE AND TRANSFERS**

6.1 Mintos maintains an electronic register of Noteholders in accordance with the Cooperation Agreement. No certificates will be issued to any Noteholder in respect of its holding.

6.2 Each Noteholder will (except as otherwise required by law) be treated as the absolute owner of any relevant Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, nomineehip or any other interest in the Note), and no person will be liable for so treating the Noteholder.

6.3 The Notes are held and freely transferred only between the financial instrument accounts at Mintos of Noteholders. No application has been or will be made to trade the Notes on any regulated market or any other trading venue, other than the Platform.

6.4 A transfer of any Note between the Noteholders may be affected by Mintos which may require as conditions to the transfer of (a) provision of documents and information, (b) payment of any transfer fee and (c) payment of any tax or other governmental charges, in each case, by the relevant Noteholder in accordance with terms and conditions of the Platform.

## **7. PRIORITY OF PAYMENTS**

All funds received by the Issuer in relation to the Series Specific Loans, irrespective whether indicated as corresponding to the relevant Series Specific Loan or not, to the extent legally permitted, will be applied by the Issuer in the following order of priority:

- (a) *first*, in or towards payment of any amounts owed by the Issuer to any tax authority and required to be paid by the Issuer under or pursuant to the Notes;
- (b) *second*, in payment or satisfaction of all fees and penalty fees then due and unpaid to Mintos by the Rental Company and/or the Co-Obligor under the Cooperation Agreement;
- (c) *third*, in or towards payment or satisfaction of all amounts then due and unpaid as commissions, fees, costs, charges, expenses and liabilities incurred or payable for servicing of the Loan Receivables if (i) the Issuer or any person designated by the Issuer has taken over the servicing of the Loan Receivables or (ii) any event of default of the Rental Company and/or the Co-Obligor has occurred under any of the Transaction Documents and the Issuer acts for the purposes of recovery of funds includes filing a claim in the liquidation, insolvency or other administrative proceedings of the Rental Company and/or the Co-Obligor, or enforcing any legal rights;
- (d) *fourth*, in or towards payment or satisfaction of any costs, including legal fees, for any action to recover funds, collect or restructure payment obligations, or taking any other actions to receive the Loan Receivables;
- (e) *fifth*, in or towards payment or discharge of all amounts which are due to the Backup

Servicer, if any;

- (f) *sixth*, to the Noteholders in or towards the payment or discharge of all amounts of Interest and principal (Late Payment Interest or penalty fee or other assigned claim, if any, in the order that is set forth with respect to the particular Loan Receivable) then due and payable under or in respect of Series, Repurchase prices and/or Buyback Obligation prices, unless the Buyback Obligation price is discharged next according to 7 (g) below. Such payment/discharge being done by placing Series Specific Loans of all Series outstanding in the chronological order from the Series Specific Loan having oldest Payment Event to the Series Specific Loan having newest Payment Event, and then applying pro rata approach on each particular Series level; and
- (g) *seventh*, to the Noteholders in or towards the payment of the Buyback Obligation price, if the Rental Company and/or the Co-Obligor is late in making payments due to the Issuer for 14 (fourteen) days or another period that the Issuer finds material. Such payment/discharge being done by placing Series Specific Loans of all Series outstanding in the chronological order from the Series Specific Loan having oldest buyback related Payment Event to the Series Specific Loan having newest buyback related Payment Event, and then applying pro rata approach on each particular Series level; and
- (h) *eight*, to the Noteholders in or towards the payment of Notes' pro-rata portion of the Pending Payments Penalty Fee (if any). Such pro-rata portion shall be applied towards all impacted Series.

Neither the Issuer nor Mintos will be liable for applying the Priority of Payments, including for any minor errors, pursuant to Condition 25.

## 8. INTEREST

### 8.1 *Payment of Interest*

Each Note bears Interest from (and including) the date on which the Note is subscribed by the Noteholder. Interest will be calculated in accordance with Conditions 8.2 and 8.3, and payable in the Specified Currency in arrears on each Interest Payment Date.

### 8.2 *Accrual of Interest*

The Interest payable on any Interest Payment Date in respect of each Note is as follows:

Loan Interest Rate X Series Specific Loan Principal Amount Outstanding X Day Count

Where:

**Series Specific Loan Principal Amount Outstanding**, is the principal amount of the Series Specific Loans which is scheduled to be outstanding (even if the principal amount is redeemed later) on the day immediately before the Loan Interest Payment Date which is immediately before the Interest Payment Date.

**Day Count**, unless otherwise specified in the Final Terms, the actual number of days in the immediately preceding Interest Accrual Period, divided by 360.

### 8.3 *Accrual of Late Payment Interest*

The Late Payment Interest (if specified as being applicable in the Final Terms) payable on any day on which the Issuer receives the Principal Amount Due in respect of each Note is as follows:

Late Payment Interest Rate X Principal Amount Due X Day Count

Where:

**Principal Amount Due**, is the principal amount of a Series Specific Loan which was due on the Loan Repayment Date but not paid under the relevant Series Specific Loan provided that there will be no Principal Amount Due if paid within the Grace Period; and

**Day Count**, unless otherwise specified in the applicable Final Terms, the actual number of days from (but excluding) the day on which the Principal Amount Due becomes due to (but excluding) the day on which the Issuer receives the Principal Amount Due or, if the Buyback Obligation or Repurchase applies, the relevant Payment Event, divided by 360.

**Any payment of Interest or Late Payment Interest will be made only in accordance with Conditions 7, 11 and 25, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Loans.**

## 9. PRINCIPAL REDEMPTION

### 9.1 *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified in these Terms and Conditions, each Note will be redeemed at the then Principal Amount Outstanding on the Maturity Date.

### 9.2 *Early Redemption*

A proportion of the Principal Amount Outstanding of the Notes will be redeemed *pro rata* on each Redemption Date and at any other time any principal payment from any of the Series Specific Loans is received by the Issuer, without any prior notice to Noteholders. The Principal Amount Outstanding of the Notes redeemed will be in the same proportion as the proportion that the principal payment received by the Issuer has to the total principal amount outstanding of all the Series Specific Loans immediately before the principal payment. Any accrued but unpaid Interest associated to that proportion of the Principal Amount Outstanding of the Notes being redeemed will be paid at the same time.

**Any repayment of the Principal Amount Outstanding will be made only in accordance with Conditions 7, 11 and 25, and will be subject to the relevant Payment Event having occurred and the Issuer having actually received the corresponding payment under the Series Specific Loans.**

## 10. INTEREST AND PRINCIPAL DETERMINATION

10.1 Mintos determines (a) the amount of Interest and the Late Payment Interest (if any) payable in accordance with Condition 8 for each Interest Payment Date and (b) the amount of principal payable in accordance with Condition 9 on each Redemption Date and the Maturity Date, on its review of the following information:

- (i) the Payment Events which have arisen;



- (ii) aggregate payment amounts paid by the Renters which have been received from the Rental Company and/or the Co-Obligor;
  - (iii) the Buyback Obligation and Repurchase which have arisen; and
  - (iv) the amounts then due and owed by the Issuer according to the Priority of Payments on the Interest Payment Date, the Redemption Date or the Maturity Date.
- 10.2 On each Interest Payment Date, each Redemption Date and the Maturity Date, Mintos on the Issuer's behalf will direct the payment of Interest and principal amounts to the Noteholders in accordance with Condition 11.
- 10.3 If after application of the Priority of Payments the Issuer has insufficient funds on any Interest Payment Date, any Redemption Date or the Maturity Date to make a payment of Interest or principal in full as required by Conditions 8 and 9, on behalf of the Issuer, Mintos at its sole discretion may decide that the Issuer pays part of the amount due or defers the payment until the full amount due is available, and such partial payment or deferral will not constitute an Event of Default under these Terms and Conditions.
- 10.4 All determinations, calculations and adjustments made by Mintos will be made in conjunction with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Noteholders.

## **11. PAYMENTS**

### *11.1 Payments of Interest and principal*

Subject to Conditions 7 and 12, the Issuer will, from any Available Distribution Amount:

- (a) pay the Interest on the Notes in accordance with Condition 8 on each Interest Payment Date; and
- (b) redeem the Notes in accordance with Condition 9 on each Redemption Date and the Maturity Date.

### *11.2 Notes contingent payments*

All payments of Interest and principal by the Issuer under the Notes are dependent on the Issuer having received information on the Payment Event and the Available Distribution Amount being sufficient to make the relevant payments in accordance with the Priority of Payments. The Notes will not give rise to the Issuer having any payment obligation in excess of the foregoing.

Any overdue payment of Interest or principal under any of the Series Specific Loans that have been collected by the Rental Company (including by its external debt collection agency) and/or the Co-Obligor will be paid to the Issuer as an Available Distribution Amount which will be paid in accordance with the Priority of Payments on the date determined by the Issuer at its sole discretion.

### *11.3 Pending Payments Penalty Fee*

Not applicable.

### *11.4 Rental Agreements' extension*

The Rental Company may modify any of the Rental Agreements linked to the Series Specific Loans without approval of the Issuer, the SPV and the Noteholders, provided that payments from the relevant Renter remain unchanged.

If 'Extension possibility' is provided in the Final Terms, the Rental Company may extend the repayment schedule of one or more Rental Agreements linked to the Series Specific Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer, the SPV or the Noteholders provided that (a) there is no event of default under any of the Rental Agreements linked to the Series Specific Loans, (b) any change is restricted by 'Limit on the number of Extensions' and 'Total maximum time limit of Extensions' as specified in the Final Terms and (c) any change is notified on the Platform to the Noteholders. The extension of Rental Agreement leads to extension of the Loan that it is linked to.

The Rental Company may also extend the repayment schedule of one or more Rental Agreements linked to the Series Specific Loans by changing the Loan Interest Payment Date, the Loan Repayment Date and/or the Loan Final Repayment Date without the consent of the Issuer, the SPV or the Noteholders to comply with any new law or regulation, amendment of any existing law or regulation, or any decision of any government or municipal provided that any change is notified on the Platform to the Noteholders.

#### 11.5 *Loan Receivables subject to Buyback Obligation or Repurchase*

Any Loan Receivable subject to the Buyback Obligation or Repurchase (i) will be repurchased by the Rental Company and/or the Co-Obligor at a price equal to the outstanding principal amount of the Loan Receivable together with any accrued but unpaid Interest and any Late Payment Interest up to (but excluding) the repurchase date, or (ii) the respective Loan will be repaid to the SPV in full together with any accrued but unpaid Interest and any Late Payment Interest up to (but excluding) the full repayment date.

#### 11.6 *Insufficient funds on the Maturity Date*

If any amounts on the Notes are outstanding on the Maturity Date, the Maturity Date will be automatically postponed to the date that is the earlier of (a) the date on which all amounts due and payable under the Notes are paid and (b) the date referred to in Condition 11.7, and Interest will not accrue on the Notes (other than Pending Payments Penalty Fee, if applicable) and any Available Distribution Amount will be paid to the Noteholders on a date as reasonably determined by the Issuer in accordance with the Priority of Payments.

#### 11.7 *After the Maturity Date*

If on any date following the Maturity Date

the Issuer, the SPV and Mintos determines in good faith that there is no realistic prospect of collecting any further funds from the Rental Company and/or the Co-Obligor if the Issuer and/or the SPV have not received the full amount due from the Buyback Obligation or Repurchase or, if earlier, on the 10th anniversary of the Maturity Date,

as of that date (i) all the Notes outstanding will be cancelled in full, (ii) the Issuer will be deemed to have fulfilled all its payment and other obligations to each of the Noteholders and (iii) no Noteholder will have any right in respect of any of the Notes.

#### 11.8 *Payments to the Noteholders*

Any payments of Interest and redemption amounts in respect of the Notes will be made to the relevant Investment Account.

#### 11.9 *Taxes*

All payments and/or deliveries in respect of the Notes made by or on behalf of the Issuer will be made subject to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature which may be required to be withheld or deducted.

The Issuer or Mintos will:

- (a) not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the Noteholders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted;
- (b) not be liable for or otherwise obliged to pay, and the relevant Noteholder will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer (or agreement to transfer), any payment and/or any delivery (or any agreement for delivery) in respect of the Notes held by such Noteholder; and
- (c) have the right but will not be obliged (unless required by law), to withhold or deduct from any amount payable or, as the case may be, any delivery due to the relevant Noteholder, such amount or portion as will be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

The Noteholders will agree to provide the Issuer and/or Mintos with all information and documentation required by the Issuer and/or Mintos, as the case may be, to satisfy any Latvian or other country tax or regulatory obligations at any time.

#### 11.10 *Payments on Business Days*

If the due date for payment of any amount in respect of any Notes is not a Business Day, the Noteholder will not be entitled to payment of the amount due until the next succeeding Business Day in such place and will not be entitled to any further interest or other payment in respect of any such delay.

## **12. LIMITED RECOURSE AND NON-PETITION**

- 12.1 Notwithstanding anything in the Base Prospectus, the obligations of the Issuer in respect of the Notes are limited recourse obligations which are payable solely from the sums of principal, Interest, other return and additional amounts (if any) actually received (and identified as such) in relation to the Series Specific Loans.
- 12.2 All payments to be made by the Issuer in respect of the Notes will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer under the Series Specific Loans, subject always to the Priority of Payments.
- 12.3 In relation to any sums received or recovered, the Issuer (or Mintos on its behalf) will follow these Terms and Conditions in determining to which Series of Notes such sums relate and such determination will be binding on Noteholders of all Series in the absence of manifest error.
- 12.4 To the extent that the sums referred to in Condition 12.1 are less than the amount which the Noteholders may have expected and been entitled to receive (such difference being referred to

as the **shortfall**), the shortfall will be borne by the Noteholders.

12.5 Each Noteholder, on subscribing or buying any Note directly, through a strategy of the Platform or any other way, irrevocably accept and acknowledge that it is fully aware that:

- (a) only the sums referred to in this Condition 12, and Conditions 7 and 11 will be available for any payments to be made by the Issuer in respect of the Notes;
- (b) the sums which are attributable to another Series of Notes are only available in satisfaction of the obligations of the Issuer to such Noteholder(c) the obligations of the Issuer to make payments in respect of the Notes will be limited to the sums and the Noteholders will have no recourse to the Issuer, Mintos or their respective shareholders, directors, officers, employees, affiliates, successors or assigns in respect of the Notes for the shortfall;
- (d) no Noteholder is entitled to proceed against the Issuer, the SPV or Mintos for the shortfall;
- (e) following the realisation and distribution of the net proceeds from the Loan Receivable corresponding to the Series Specific Loan in accordance with the Priority of Payments, the Noteholders or anyone acting on behalf of any of them will not be entitled to take any further steps against the Issuer or Mintos to recover any further sum and the right to receive any such further sum will be deemed as fulfilled; and
- (f) no Noteholder will be entitled to petition or take any other step or join with any other person in bringing, instituting or joining, insolvency, winding-up, liquidation or bankruptcy proceedings (whether court-based or otherwise), or for the appointment of an examiner, liquidator or analogous person in relation to the Issuer, nor will it have any claim to, or in respect of any sum arising in respect of any assets of the Issuer.

12.6 Non-payment of the shortfall referred to in this Condition 12 will not constitute an Event of Default.

12.7 None of the shareholders of the Issuer, Mintos, the Rental Company and/or the Co-Obligor, the Backup Servicer has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.

12.8 The provisions of this Condition 12 will survive redemption of the Notes.

### **13. PURCHASE**

13.1 The Issuer may at any time purchase Notes at any price in the open market or otherwise.

13.2 Any Note purchased by the Issuer on the sole discretion of the Issuer may be either cancelled or sold to any investor on behalf of the Issuer by Mintos.

### **14. CANCELLATION**

All Notes which are redeemed or cancelled may not be re-issued or resold.

### **15. PRESCRIPTION**

Any and all claims against the Issuer for payment in respect of the Notes will be prescribed and become void unless made within 10 years from the date on which payment in respect of the

Notes first becomes due.

## 16. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further Series and further tranches of existing Series of Notes. A further tranche of an existing Series will:

- (a) be fungible with the Notes of that existing Series;
- (b) have the same terms and conditions as the Notes of that Series except for the Aggregate Nominal Amount, the Issue Date, the Issue Price, the Interest Accrual Periods, the first Interest Payment Date and the first Redemption Date; and
- (c) be consolidated and form a single Series with that existing Series of Notes, and references in these Terms and Conditions to Notes will be construed accordingly.

## 17. EVENTS OF DEFAULT

17.1 Any of the following events will constitute an event of default under the Notes (each, an **Event of Default**):

- (a) if any order is made by any competent court or any resolution passed for the winding-up or dissolution (including any bankruptcy, insolvency, voluntary, forced or judicial liquidation, composition with creditors, a reprieve from payment, controlled management, fraudulent conveyance, general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Issuer (save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements); or
- (b) formal notice is given of an appointment an administrator (including any receiver, liquidator, auditor, verifier), provisional administrator; or
- (c) any application is made, or petition is lodged, or documents are filed with the court or administrator in relation to the Issuer for the actions, proceeding or procedures specified in paragraphs (a) or (b) above, unless such proceedings or petitions are disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement.

17.2 The Issuer is obliged to inform Mintos immediately if any Event of Default should occur. Should Mintos not receive such information, Mintos is entitled to assume that no Event of Default exists or can be expected to occur, provided that Mintos does not have knowledge of any Event of Default. Mintos is under no obligation to make any investigations relating to any Event of Default. The Issuer will, at the request of Mintos, provide Mintos with details of any Event of Default and provide Mintos with all documents that may be of significance for the application of this Condition 17.

17.3 If Mintos has been notified by the Issuer or has otherwise determined that there is an Event of Default, Mintos will, within 20 Business Days of the day of notification or determination, notify the Noteholders according to Condition 20.

17.4 Upon the occurrence of an Event of Default, Notes are repaid according to the terms and conditions stipulated by this Base Prospectus and relevant Series Final Terms, unless otherwise required by a rule of the law.

- 17.5 Mintos, subject to the Noteholders indemnifying and holding Mintos harmless from any reasonable expenses, loss or liability, will take every reasonable measure necessary to recover the amounts outstanding under the Notes according to their terms and conditions and Transaction Documents. Mintos will in each case inform the Noteholders about the costs which should be compensated prior to requesting any indemnification. In any case Mintos will charge this compensation of costs only up to the recovered amount. Mintos will not ask for compensation of costs for its in-house staff and resources.
- 17.6 For the avoidance of doubt, if any payment is not made by the Issuer because the Issuer has not received the relevant amounts under the Series Specific Loans so that the Available Distribution Amount after application of the Priority of Payments is not enough to make payments due under the Notes in full, the occurrence of such event will, as such, not constitute an Event of Default.

## 18. MEETING OF NOTEHOLDERS

### 18.1 *General provisions*

The Issuer from time to time may convene a meeting of the Noteholders (the **Noteholders Meeting**) to adopt resolutions on certain matters. The Issuer at its own discretion decides which matters will be reserved for passing at the Noteholders Meeting.

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the Noteholders Meeting or in respect of the relevant resolution and Noteholders who voted in a manner contrary to the majority. As a result, Noteholders may be bound by a change to these Terms and Conditions or by some other decision that affects Noteholders' investment in the Notes even though they have not agreed to such change.

The Noteholders Meeting may adopt its resolutions in one of the two forms as chosen by the Issuer:

- (a) at a meeting held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote using ballots provided; or
- (b) by absentee voting (without attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote).

The Noteholders Meeting will be chaired, and minutes taken by a representative of Mintos.

### 18.2 *Resolutions of the Noteholders Meeting*

Matters put to the vote at a Noteholders Meeting and its agenda will be decided by the Issuer.

The Noteholders may neither pass resolutions on the matters not included in its agenda nor amend the agenda.

Resolutions passed by the Noteholders Meeting and voting results will be provided to the persons eligible to participate in the Noteholders Meeting in a report, which will be disclosed to the Noteholders as per the procedure prescribed with regard to sending notices of the Noteholders Meeting, within 5 Business Days after the closing date of the meeting or the final date for submitting the voting ballots in case of absentee voting. However, the failure to do so will not invalidate the resolution.

The resolution will be binding on all the Noteholders, whether or not present at the Noteholders

Meeting and each of them will be bound to give effect to it accordingly.

### 18.3 *Information on holding a Noteholders Meeting*

The Issuer will notify the Noteholders about the Noteholders Meeting in accordance with the procedure below.

A notice of the Noteholders Meeting (the **Notice**) will be given according to Condition 20 no later than 10 days in advance.

The Notice will be given to the Noteholders registered on the date of the Notice in the electronic register of Noteholders maintained by Mintos.

The Issuer may decide not to publish the Notice on the Platform. In such a case within the time specified in this Condition 18.3 the Issuer will send the Notice to the Noteholders by email.

The Issuer may at its own discretion make available information to the Noteholders entitled to participate in the Noteholders Meeting as part of preparations for the Noteholders Meeting.

### 18.4 *Quorum at a Noteholders Meeting*

A Noteholders Meeting will be deemed quorate if attended by Noteholders aggregately holding more than 50% of:

- (a) the aggregate Principal Amount Outstanding of all Series of Notes towards the Rental Company on the date of the Notice if the decision is related towards all Series of Notes outstanding; or
- (b) the aggregate Principal Amount Outstanding of the relevant Series of Notes on the date of the Notice if the decision is related towards the relevant Series of Notes outstanding.

The number of votes for each Noteholder equals the Principal Amount Outstanding in the respective Series on the date of the Notice.

When a Noteholders Meeting is held by attendance of the Noteholders to discuss the items on the agenda and pass resolutions on the matters put to the vote, the Noteholders registered to participate in the Noteholders Meeting and the Noteholders whose ballots have been received no later than 2 days before the meeting will be deemed to have participated in the meeting.

When a Noteholders Meeting is held in the form of absentee voting, the Noteholders whose ballots have been received before the final date for submitting the ballots will be deemed to have participated in the meeting.

Where there is no quorum for a Noteholders Meeting, a second Noteholders Meeting will be held with the same agenda. Such second Noteholders Meeting will be deemed quorate if attended by Noteholders aggregately holding more than 30% of:

- (a) the aggregate Principal Amount Outstanding of all Series of Notes towards the Rental Company and/or the Co-Obligor on the date of the Notice if the decision is related towards all Series of Notes outstanding; or
- (b) the aggregate Principal Amount Outstanding of the relevant Series of Notes on the date of the Notice if the decision is related towards the relevant Series of Notes outstanding.

Subject to the quorum being present, the decisions on the Noteholders Meeting agenda will be adopted per each item of the agenda by the majority from the total amount of votes provided.

#### 18.5 *Voting ballots*

Ballots for voting at a Noteholders Meeting will be sent together with the Notice according to Condition 18.3.

Ballots for voting will be in the English language.

Voting could be convened as an e-voting through filling-out an electronic voting ballot through the interface of the Platform.

Noteholders included in the list of those entitled to participate in the Noteholders Meeting other than the Noteholders Meeting held in the form of absentee voting, or their representatives, may register to participate or forward their completed ballots to the Issuer. Voting ballots will be counted towards the calculation of the quorum and voting results if received by the company no later than 2 days before the Noteholders Meeting.

The voting ballot will contain the information about the Noteholders Meeting including but not limited to:

- information about the Issuer, including address and contact person;
- details identifying the Series of Notes;
- form of the Noteholders Meeting (attendance or by absentee voting);
- date, place and time of the Noteholders Meeting if it is held in the form of attendance of the Noteholders;
- Principal Amount Outstanding; and
- voting options for each item on the agenda, expressed as “for”, “against”, or “abstained”, and the indication that the voting ballot must be signed by a person entitled to participate in the Noteholders Meeting or its representative unless convened by e-voting.

When voting by ballots, only those voting ballots are counted where for each item only one voting option is selected. The voting ballots completed in breach of the aforementioned requirement will be deemed invalid. However, if there are several items put to the vote on the voting ballot, breach of the aforementioned requirement with respect to one or several items will not affect the validity of the remaining ballot. If a voting ballot is rendered invalid with respect to voting on one, several or all items included in such ballot, the votes so cast in such ballot will not be excluded from the calculation of the quorum. If a voting ballot is rendered invalid, the votes on the items contained in the voting ballot will not be counted.

#### 18.6 *Counting*

The counting functions will be performed by Mintos, which will check the powers of, and register the participants in a Noteholders Meeting, determine the quorum at a Noteholders Meeting, count the votes and determine the voting results, draw up the voting minutes and hand over the voting ballots to the archive.



## **19. SUBSTITUTION**

- 19.1 The Issuer or any previous substitute company may be substituted by any other company as principal obligor under all of the Notes then outstanding provided that such substitution would not be materially prejudicial to the interests of the Noteholders and subject to the other Terms and Conditions being complied with, including with provisions of the Transaction Documents, and further provided that the Financial and Capital Market Commission has given its prior consent to such substitution if any needed according to the applicable law.
- 19.2 By subscribing to, or otherwise acquiring, the Notes, the Noteholders expressly consent to the substitution of the Issuer and to the release of the Issuer from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences of such substitution.
- 19.3 Any such substitution will be notified to Noteholders in accordance with Condition 20.

## **20. NOTICES AND PROVISION OF INFORMATION**

- 20.1 Notices to the Noteholders will be given upon sole discretion of the Issuer in the English language and/or any other language the Issuer deems fit for such purposes and will be given by using one or several communication channels:
- (a) emailed to respective email addresses in the register of Noteholders and deemed to have been given within 24 hours after the dispatch; and
  - (b) delivered to Mintos for further communication to the Noteholder according to the services provision agreement between Mintos and the Noteholder (including times when deemed to have been duly given).
- 20.2 Any notices, demands, claims or other communication to the Issuer by any Noteholder will be in the English language and will be given by using one of the following communication channels:
- (a) delivered by hand or courier and deemed to have been given on the same day of delivery; and
  - (b) delivered by registered mail and deemed to have been given on the 10th calendar day following the date indicated on the stamp by the postal service provider on the acceptance of a registered letter.
- 20.3. For the purposes of Condition 20.2 notices or other communications addressed to the Issuer will be given to Mintos, serving as an agent for this purpose:

AS Mintos Marketplace  
50 Skanstes Street, Riga, LV-1013, Latvia  
For the attention of SIA Mintos Finance No. 42

## **21. AGENTS**

- 21.1 Mintos acts solely as an agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Noteholder.
- 21.2 The Issuer subject to the provisions of the Transaction Documents reserves the right at any time to vary or terminate the appointment of Mintos, the Rental Company and/or the Co-Obligor, and any other party to any of the Transaction Documents.

## **22. FORCE MAJEURE**

Neither the Issuer nor Mintos will be responsible for any failure to perform any of its respective obligations under these Terms and Conditions which is due to any reason that is independent of that person's will and has resulted from a *force majeure* event. A *force majeure* event will apply only and solely if that person has taken all steps that depend on it in order to perform the obligation. Once the *force majeure* event has finished, that person must immediately resume the performance of the obligation. The following circumstances will be considered as *force majeure* events:

- (a) extraordinary and unavoidable circumstances including natural disasters, fire, flood, earthquake, warfare, terror acts, riots and strikes;
- (b) technical failures, delays or malfunctions; failure of computers, communications systems, hardware and/or software; power supply malfunctions; or other critical infrastructure malfunctions, which neither the Issuer nor Mintos could have prevented or predicted;
- (c) decisions and/or activities of local and/or foreign public authorities, and/or international organisations;
- (d) entry into force, amendments and/or suspension of a statutory act binding on either the Issuer or Mintos affecting the performance of obligations under these Terms and Conditions; and
- (e) any circumstance defined as a *force majeure* circumstance in any of the Transaction Documents.

## **23. GOVERNING LAW AND JURISDICTION**

- 23.1 The Notes (and any non-contractual obligations arising out of or in connection with the Notes) are governed by, and will be construed in accordance with the law of the Republic of Latvia.
- 23.2 The courts of the Republic of Latvia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes) and accordingly any legal action or proceedings arising out of or in conjunction with the Notes may be brought in such courts. The Issuer and each of the Noteholders irrevocably submits to the jurisdiction of such courts.

## **24. AMENDMENTS AND MODIFICATIONS**

To comply with any applicable law, the Issuer may validly amend or supplement these Terms and Conditions by publishing the changed Terms and Conditions on the Platform without the consent of the Noteholders.

## **25. LIMITATION OF LIABILITY, AND REPRESENTATION AND WARRANTIES OF THE NOTEHOLDER**

- 25.1 Notwithstanding anything in the Base Prospectus, other than with respect to gross negligence or wilful misconduct by the Issuer and/or Mintos, neither the Issuer nor Mintos will be held liable by any Noteholder for:
  - (a) any material error, misrepresentation, omission or fraud by the Rental Company and/or

the Co-Obligor;

- (b) failure of the Rental Company and/or the Co-Obligor for whatever reason to inform the Issuer and/or Mintos of the Payment Event having occurred or for the information being inaccurate or wrong;
- (c) the Loan Receivables; or
- (d) determinations and decisions when distributing amounts under the Notes, including, when applying the Priority of Payments, deciding whether to defer payment or make a partial payment, relying upon or deciding if and when there is no realistic prospect of collecting further funds under a Series Specific Loan, including in the event of default of the Rental Company and/or the Co-Obligor.

25.2 In any and all cases liability of the Issuer and/or Mintos to any Noteholder under these Terms and Conditions will be limited to the amount invested in the impacted Notes by the Noteholder.

25.3 Each Noteholder, on subscribing or buying any Note directly, through a strategy of the Platform or any other way, irrevocably accept and acknowledge that it is fully aware that:

- (a) the Issuer and Mintos do not make any representation or warranty in respect of, or will not at any time have any responsibility for, or, save as otherwise expressly provided in these Terms and Conditions, liability or obligation in respect of the performance and observance by any Renter of its obligations under the Rental Agreement linked to the relevant Series Specific Loan, the Rental Company and/or the Co-Obligor of its obligations under the Cooperation Agreement on Issuance of Loans or Cooperation Agreement, and/or by the security provider of its obligations under the Security Documents, or the recoverability of any sum of the principal, Interest, other return or any additional amounts (if any) due or to become due from any Renter, the Rental Company and/or the Co-Obligor, and/or the security provider;
- (b) the Issuer and Mintos will not at any time have any responsibility for, or obligation or liability in respect of, the condition, financial or otherwise, covenant, creditworthiness, affairs, status or nature of any Renter, the Rental Company and/or the Co-Obligor, the security provider or any other person;
- (c) the Issuer and Mintos will not at any time be liable for any representation or warranty, or any act, default or omission of any Renter, the Rental Company and/or the Co-Obligor, the security provider or other person;
- (d) the Issuer will not at any time have any responsibility for, or liability or obligation in respect of, the performance and observance by Mintos of its obligations under the Transaction Documents or any other agreement entered or to be entered into by and between the Noteholders and Mintos;
- (e) financial servicing and performance of the terms of the Notes depend upon both the performance by each Renter of its obligations under the Series Specific Loan, its duties to make payments under the Series Specific Loan and its credit and financial standing, and the performance by the Rental Company and/or the Co-Obligor, and/or the security provider of their respective contractual obligations towards the Issuer and Mintos as well as their respective credit and financial standing;
- (f) the Notes, which the Noteholder has or will acquire, reflect the performance of the

relevant Series Specific Loans. The Noteholder has no direct recourse to any of the Series Specific Loans or the corresponding Loan Receivables. Once the Loan Receivables have been realised according to these Terms and Conditions, the Noteholder is not entitled to take any further steps against the Issuer or Mintos to recover any further sums due and the right to receive any such sum will be extinguished. The Noteholder accepts not to attach or otherwise seize any of the assets of the Issuer. In particular, the Noteholder will not be entitled to petition or take any step for the winding-up, the liquidation or the bankruptcy of the Issuer or any similar insolvency-related proceedings and such petition or action will be treated as null and void as from its initiation time; and

- (g) the Investment Accounts will be opened and held by the Noteholder fully operational with Mintos while the Noteholder holds any Notes.

### 13. TAXATION

*The information provided in this section will not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Notes applicable to their particular circumstances. The following is a general summary of certain tax considerations in the Republic of Latvia in relation to the Notes. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Notes, as well as does not take into account or discuss the tax implications of any country other than the Republic of Latvia.*

***Tax laws of the Noteholder's country of residence for taxation purposes and of the Issuer's country of residence may have an impact on the income received from the Notes.***

This summary is based on the laws of Latvia as in force on the date of this Base Prospectus and is subject to any change in the law that may take effect after such date, provided that such changes could apply also retroactively.

Latvia has entered into a number of tax conventions on elimination of the double taxation (hereinafter - DTT), which may provide a more favourable taxation regime. Therefore, if there is a valid DTT between Latvia and the country of tax residence of a prospective Noteholder, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion", adopted on 30 April 2001.

#### **Taxation of the Issuer**

Issuer is a corporate income tax payer in Latvia. According to the Latvian tax law, the annual profit earned by entities in Latvia is not taxed. Instead, Corporate income tax is paid on dividends, fringe benefits, gifts, donations, representation costs, non-business related disbursements and transfer pricing adjustments. The tax rate applicable is 20%, however, the taxable base is divided by the coefficient 0.8, thus the effective Corporate income tax rate is 25%.

#### **Taxation of the Noteholders individuals**

##### *Resident individuals*

An individual will be considered as a resident of Latvia for taxation purposes, if at least one of the following requirements is met:

- the declared place of residence of this person is in Latvia;
- the person stays in Latvia for at least 183 days over the course of a period of 12 consecutive calendar months;
- the person is a Latvian citizen who is employed by the government of Latvia in a foreign country.

In accordance with the Latvian tax laws the interest income received by the individual tax resident in Latvia is subject to tax at the rate of 20%. The interest income from the Notes for resident individuals will be subject to 20 % personal income tax that will be withheld by the Issuer before the Interest payment is made by the Issuer to the Noteholder. The tax withheld by the Issuer is a final tax liability on the interest income received.

The income from the sale of the Notes is treated as an income similar to the interest income for the Latvian personal income tax purposes and will be subject to 20% personal income tax and the tax is payable by the individual him/herself.

### *Non-resident individuals*

An individual would be considered as a non-resident of Latvia for taxation purposes in all cases unless he/she is a tax resident of Latvia. Interest income from the Notes received by the non-resident individual will be subject to personal income tax in Latvia according to the rate set forth by law, which is currently 20%. According to the general practice the tax withheld in Latvia might be deducted from the tax payable by the investor in his/her residence country (as tax paid abroad). However, we recommend consulting with the respective country's tax administration or tax adviser to clarify the procedure and documents required to perform such a deduction (if any).

The tax rate might be reduced based on the Double Tax Treaty between Latvia and the respective country. The list of the Double Tax Treaties concluded by Latvia is available here: [https://www.vid.gov.lv/sites/default/files/tax\\_treaties\\_28032018.pdf](https://www.vid.gov.lv/sites/default/files/tax_treaties_28032018.pdf)

The income from the sale of the Notes will be subject to 20% tax and the tax would be payable by the individual him/herself, if the buyer of the Notes is an individual or legal entity non-resident of Latvia. If the buyer is a legal entity - resident of Latvia, the tax at the rate of 3% will be withheld by the buyer.

### **Taxation of the Noteholders legal entities**

#### *Resident legal entities*

A legal entity would be considered as a resident of Latvia for tax purposes, if it is established pursuant to the Latvian law. Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident legal entities will not be subject to withholding tax in Latvia. Under the Latvian tax law retained earnings are exempt from corporate income tax and only profit distributions are taxed. Distributed gross profits are subject to the 20% profit tax. Corporate income tax on net amount of profit distribution is determined by dividing net amount with a coefficient of 0.8 (i.e., effective tax rate on net distributed profit is 25%).

#### *Non-resident legal entities*

A legal entity would be considered as a non-resident of Latvia for taxation purposes in all cases unless it is a tax resident of Latvia. The interest income and capital gains from the sale of the Notes for non-resident legal entities will not be taxable in Latvia (i.e., gross income will be paid), except if the income recipient is located, registered or incorporated in a no-tax or low-tax country (so called "*tax havens*"; if this is the case - 20% tax will be withheld by the Issuer in Latvia). The list of "*tax havens*" according to the Latvian law includes US Guam, US Samoa, US Virgin Islands, Republic of Fiji, Republic of Palau, Republic of Panama, Independent State of Samoa, Republic of Trinidad and Tobago, Republic of Vanuatu. The list of mentioned countries and territories may be amended from time to time.

## 14. APPLICABLE FINAL TERMS

The form of Final Terms that will be issued in respect of each Series, subject only to the deletion of non-applicable provisions, is set out below. The completed Final Terms for each Series, which are described in this Base Prospectus as the "Final Terms" will be published on the website: [www.mintos.com](http://www.mintos.com).

Final Terms dated [...] [...] [...]

### SIA Mintos Finance No. 42 (the "Issuer")

(incorporated as a limited liability company and registered in the Republic of Latvia with registration number Reg. No: 40203410257)  
LEI: 984500KA46200UD3GE97

### Series [...] EUR [...] Notes

relating to the Loans with the reference numbers:

[...]

issued by SIA Mintos Finance (the SPV) to INCLUSION SOUTH AFRICA (the Rental Company) linked to rental agreements concluded by the Rental Company with its renters

Terms used herein will be deemed to be as defined in the Base Prospectus dated 20.10.2022 for the purpose of the Prospectus Regulation, in respect of Notes issued by the Issuer. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplements, if any] is available for viewing on the website [[www.mintos.com/](http://www.mintos.com/)\*\*\*]. The summary of the individual issue of the Notes is annexed to these Final Terms as Appendix 1.

### Part 1 - Contractual terms

#### 1.1. Information concerning the Notes to be offered to the public:

Number	Disclosure requirement	Details
1.1.1.	Series:	[...]
1.1.2.	ISIN Code:	LV[...]
1.1.3.	Specified Currency:	[...]
1.1.4.	Aggregate Nominal Amount:	[...]
1.1.5.	Specified Denominations:	The Series Aggregate Nominal Amount is divided into [...] Notes.  Nominal amount of the Note is [...].
1.1.6.	Issue Price:	100% of the Notes nominal amount
1.1.7.	Offer Price of one Note:	[...] or Principal Amount Outstanding of one Note
1.1.8.	Issue Date:	[...]
1.1.9.	Maturity Date:	[...]
1.1.10.	Interest Rate:	[...] % per annum

1.1.11.	Interest Accrual Periods:	From the Notes purchase date up to, but not including the Loan Interest Payment Date for the first Interest payment. From the previous Loan Interest Payment Date up to, but not including the next Loan Interest Payment Date or Loan Repayment Date for the last Interest payment
1.1.12.	Interest Payment Date (s):	Up to 10 Business Days after the corresponding Loan Interest Payment Date (1.2.22.) and subject to the actual receipt by the Issuer from the Rental Company of the relevant payment in relation to the Loan
1.1.13.	Redemption Date (s):	Up to 10 Business Days after the corresponding Loan Repayment Date (1.2.22.) and subject to the actual receipt by the Issuer from the Rental Company of the relevant payment in relation to the Loan
1.1.14.	Indication of Yield:	[...] % per annum
1.1.15.	Buyback Obligation:	[...]



## 1.2. Information relating to the Series Specific Loans

### Information relevant to the pool of Series Specific Loans and the Rental Agreements linked to them

Number	Disclosure requirement	Details
1.2.1.	Rental Agreement type:	[...]
1.2.2.	Rental Agreement currency:	[...]
1.2.3.	Total outstanding principal amount of Series Specific Loans transferred to the Issuer (EUR):	[...]
1.2.4.	Series Specific Loans Interest rate (%):	[...]
1.2.5.	Late Payment Interest (%):	[...]
1.2.6.	Grace Period:	[...] days
1.2.7.	Amortization method:	[...]
1.2.8.	Extension possibility:	[...]
1.2.9.	Limit on the number of Extensions:	[...]
1.2.10.	Total maximum time limit of Extensions:	[...] calendar days as of the Loan Final Repayment Date

**Information on the Series Specific Loans and the Rental Agreements linked to them**

<b>Series Specific Loans</b>										
1.2.11. Loan ID	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.12. Outstanding principal amount	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.13. Final Repayment Date*	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
<b>Rental Agreements</b>										
1.2.14. Rental Agreement ID	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.15. Vehicle purchase price (less down payment of the Renter)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.16. Final rent term*	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.17. Initial Loan-to-Value (LTV) (%)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.18. Current Loan-to-Value (LTV) (%)	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.19. Renter's details	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.20. Collateral provided by the Renter to the Rental Company	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
1.2.21. Collateral description	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]

\*Unless the early Loan repayment and/or the Loan term extension takes place. For more information, please see Section 12 “Terms and Conditions of the Notes” in the Base Prospectus

1.2.22. Loan Interest Payment Dates and Loan Repayment Dates and amounts

Loan ID	[...]	[...][...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
Loan Repayment Date and Loan Interest Payment Date	Principal / Interest	Principal / Interest	Principal / interest	Principal / Interest	Principal / Interest	Principal / Interest	Principal / Interest	Principal / Interest	Principal /Interest	Principal /Interest
[...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]	[...]/ [...]

## Part 2 - Responsibility and authorisation

The Management Board of the Issuer:

Title Name, surname
Chairman of the Management Board Martins Sulte
Member of the Management Board Martins Valters

accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus referred to above, contains all information that is material to the issue of the Notes.

The information provided in the elements 1.2.1., 1.2.2., 1.2.14. – 1.2.21. above has been sourced from INCLUSION SOUTH AFRICA (the Rental Company”). The information provided in the elements 1.2.3. - 1.2.13., and 1.2.22. above has been sourced from SIA Mintos Finance (the “SPV”).

Hereby the Issuer confirms that this information has been accurately reproduced according to the process of information exchange via API, provided in the Transaction Documents and that as far as the Issuer is aware and is able to ascertain from information provided by the Rental Company and/or SPV, no facts have been omitted which would render the reproduced information inaccurate or misleading. For the aforesaid limitation of the Issuer's and Mintos liability provided in the Subsection 12.25. “Limitation of Liability” in the Base Prospectus applies.

This Notes Series issue is authorised by [...] of the Issuer, Minutes No. [...] as of [...] [...] 202[...].