



Primero SV1 OÜ

Registration Number: 16438773

LEI: 98450090887PC2BEAD10

Terms of the Notes Issue

ISIN:	LV0000802601	LV0000802593
Type of security:	Senior Tranche Asset Backed Notes	Junior Tranche Asset Backed Notes
Initial Principal Amount:	EUR 1,000 (one thousand Euro)	EUR 1,000 (one thousand Euro)
Principal value of the issue:	EUR 8,610,000 (eight million six hundred and ten thousand Euro)	EUR 850,000 (eight hundred and fifty thousand Euro)
Annual Interest rate:	4.50%	13.50%
Maturity:	31 July 2029	31 July 2029
Issue price	100.00%	100.00%

These Terms of the Notes Issue do not constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

These Terms of the Notes Issue are not a prospectus for the purposes of the Prospectus Regulation. These Terms of the Notes Issue have been prepared on the basis that all offers of the notes that are issued by the Issuer according to the Terms of the Notes Issue will be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation.

The issue of the Notes is a private placement and there is no intention of the Issuer to list the Notes on a regulated market.

The Issuer is a company incorporated and existing under the legal acts of the Republic of Estonia and the said legal acts allow for the Issuer to record the issue with Nasdaq CSD.

The decision of the Issuer to organize the issue of the Notes has been passed in compliance with the legal acts of the Republic of Latvia. The issue of the Notes including the relationship between the Issuer and investors or any third parties, and their respective rights and duties attached to the Notes such as voting rights, dividends and corporate actions is governed by the legal acts of the Republic of Latvia.

These Terms of the Notes Issue do not constitute a public offer for the purposes of the Prospectus Regulation and no competent authority of any Member State has examined or approved the contents thereof.

MiFID II product governance - solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Senior Tranche Notes is eligible counterparties, professional clients, and retail clients (only if all conditions under the Article 3 (1) of the Regulation (EU) 2017/2402 are met) and the target market for Junior Tranche Notes is eligible counterparties and professional clients, each as defined in Directive 2014/65/EU; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; the Notes can only be offered to retail investors through channels of portfolio management and investment advice. Any person subsequently offering, selling or recommending the Notes should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels. The product manufacturer has prepared a key information document in respect of the Senior Tranche of the Notes for the purposes of Regulation (EU) no. 1286/2014 (the PRIIPs Regulation) that should be made available to prospective retail investors together with other Transaction Documents.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro-denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such

transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.

Before deciding to purchase the Notes, investors should carefully review and consider risk factors described herein. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. Moreover, if any of these risks materialize, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the investors could lose all or part of their investments.

Any previous discussions or presentations provided to prospective investors were for information purposes only and the Notes are issued in accordance with these Terms of the Notes Issue. A prospective investor should not make an investment decision relying solely upon information provided in the prospective investor presentation or otherwise.

30 June 2022

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1. TERMS AND ABBREVIATIONS USED

In these Terms of Issue, the definitions will have the meaning indicated below, unless the context of the Terms of Issue requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of most importance. Other definitions may be used elsewhere in the Terms of Issue.

Aggregate Portfolio	means, on any given date, all the Receivables, including the current and future claims arising from such Receivables, included in the Portfolio transferred by the Originator to the Issuer up to such date, pursuant to the Receivables Purchase Agreement.
Aggregate Principal Amount Outstanding	means, in respect of all Notes or the Notes of the respective Tranche at any time, the aggregate of the Principal Amount Outstanding.
Arranger	means Signet Bank.
Available Redemption Funds	means the amount of the Issuer Available Funds available for Mandatory Redemption on every Payment Date, determined according to Section 5.3 (Priority of Payments).
Business Day	means any day on which TARGET2 is open for the settlement of payments in euro.
Calculation Agent	means Signet Bank.
Calculation Agent Agreement	means an agreement entered into between the Issuer, the Servicer and the Calculation Agent on 30 June 2022 and as amended from time to time for the provision of certain calculation and reporting services to the Issuer.
Calculation Date	means the date falling 5 (five) Business Days before each Payment Date
Cancellation	<p>The Notes shall be finally and definitely cancelled on:</p> <p>(a) the earlier of the date on which the Notes have been redeemed pursuant to Section 5.5.2 (Mandatory Redemption), Section 5.5.3 (Optional Redemption for Taxation), Section 5.5.4 (Optional Redemption for Regulatory Reasons), Section 5.5.5 (Clean – Up Call Option); Section 5.5.6. (Early Redemption in Case of Trigger Event) or the Maturity Date according to Section 5.5.1 (Final Redemption); or</p> <p>(b) if the Notes cannot be redeemed in full on the Maturity Date as a result of the Issuer having insufficient Issuer Available Funds, the later of: (i) the Payment Date immediately following the date on which all the Receivables will have been paid in full; and (ii) the Payment Date immediately following the date on which the Servicer gives notice to the Issuer in writing that there is no reasonable likelihood of there being any further amounts to be received in respect to the Portfolio or the Security, including by enforcement of the Security, to be made available to the Issuer.</p>
Cancellation Date	means the applicable date of Cancellation of the Notes.
CIT	means corporate income tax.
Class	means depending on the context separately or together Senior Tranche and/or Junior Tranche.
Clean-Up Call	means the Issuer's option to redeem the Notes on any Payment Date following the Calculation Date on which the aggregate Outstanding Receivables Principal comprised in the Aggregate Portfolio is equal to or less than 10% (ten percent) of the aggregate principal of all Receivables comprised in the Aggregate Portfolio as of the Issue Date as described in Section 5.5.5 (Clean – Up Call Option).
Clean-up Call Condition	means the circumstance that the aggregate Outstanding Receivables Principal comprised in the Aggregate Portfolio is equal to, or lower than 10% (ten percent) of the aggregate principal of the Receivables comprised in the Aggregate Portfolio as at the Issue Date.
Collection Date	means every 31 March, 30 June, 30 September, and 31 December.
Collection Period	means each period commencing on (but excluding) a Collection Date and ending on (and including) the next succeeding Collection Date up to the Redemption in full of the Notes. The first Collection Period commences on the Issue Date and ends on (and including) 30 September 2022.

Collections	means, collectively, any amount on account of principal, interest, prepayment, fees and other amounts received or recovered by or on behalf of the Issuer in respect of the Receivables comprised in the Aggregate Portfolio.
Commercial Pledge Law	means the Commercial Pledge Law of the Republic of Latvia, as amended or replaced from time to time.
Commercial Pledge Register	means the commercial pledge register maintained by the Enterprise Register of the Republic of Latvia.
Commercial Register	means the commercial register maintained by the Enterprise Register of the Republic of Latvia.
Consumer Rights Protection Centre	means the Consumer Rights Protection Centre of the Republic of Latvia.
Consumer Rights Protection Law	means the Consumer Rights Protection Law of the Republic of Latvia, as amended or replaced from time to time.
Corporate Services Provider	means Primero Finance as of the Issue Date.
Corporate Services Agreement	means an agreement entered into by the Issuer and Corporate Services Provider on 30 June 2022 and as amended from time to time, pursuant to which the Issuer has appointed the Corporate Services Provider to perform certain corporate and administrative services to the Issuer.
Covenants	means covenants, agreements and conditions contained in Section 5.7 (Covenants of the Issuer).
Custodians	means a Nasdaq CSD participant directly or a licensed credit institution or an investment brokerage company that has a financial securities' custody account with a Nasdaq CSD participant.
Day Count Fraction	means in respect of an Interest Period, the number of days in such an Interest Period, assuming 30 days in a month, divided by 360 (European 30/360 convention).
Debtors	means, in respect of a Receivable, a person (a consumer under the Consumer Rights Protection Law) obliged directly or indirectly to make payments in respect of such Receivable, including any person who has guaranteed the obligations in respect of such a Receivable.
Defaulted Receivables	<p>any Receivable, the Lease Agreement or Leaseback Agreement, which has been terminated as according to the Credit Surveillance Procedure of the Servicer, which may be amended from time to time by the Servicer.</p> <p>According to the Credit Surveillance Procedure of the Servicer valid as of the date of these Terms of Issue, it shall unilaterally terminate a loan agreement: (i) no earlier than 35 days and not later than 60 days from the day the loan falls past due; or (ii) subject to other conditions specified in the Lease Agreement or Leaseback Agreement, such as death and insolvency of the Debtor, loss of collateral, fraud or other conditions.</p>
Defaulted Receivables Call Option	means an option granted by the Issuer to the Originator to repurchase from the Issuer any purchased Receivable which has become a Defaulted Receivable pursuant to the terms and subject to the conditions set out in Receivables Purchase Agreement (as described in Section 10.4.1 (Defaulted Receivables Call Option)).
EITA	means Income Tax Act of the Republic of Estonia, in the wording as of 26 June 2022.
Eligibility Criteria	means eligibility criteria as described in Section 7.2 (Eligibility Criteria).
Expected Remaining Cash Flows	means the aggregated remaining cash flows from the Portfolio, calculated by the Calculation Agent for each Collection Period, based on the scheduled cash flows of the Receivables and historic and expected performance parameters of the Portfolio.
Expenses	means any documented fees, costs, expenses, recharged payments for ancillary services and taxes required to be paid to any third-party creditors of the Issuer (other than the Noteholders) arising in connection with the Securitisation and / or required to be paid in order to preserve the existence of the Issuer or to maintain it in a good standing, or to comply with applicable legal acts.
Fair Value	means the price of a certain asset, that is determined by a willing seller and a willing buyer in open marketplace.
FCMC or Financial and Capital Market Commission	means the Latvian financial and capital markets supervision authority – the Financial and Capital Markets Commission with its office in Riga, Latvia.
First Settlement Date or Issue Date	means the date on which Interest on the Notes starts to accrue: 1 July 2022.
Further Securitisation	means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Regulation and the conditions set out in these Terms of Issue.

Immaterial Change	means any amendments to the Terms of the Issue or other Transaction Documents that are not prejudicial to the Interests of the Noteholders, such as technical or procedural matters relating to the Notes in respect of payments, settlements and other similar matters, or insignificant changes to Transaction Documents, as defined under each Transaction Document.
Incompliant Receivables	means such Receivables in relation to which any representations and warranties under the Receivables Purchase Agreement turn out to be untrue, incomplete or imprecise.
Initial Principal Amount	means a face value of a single Note, which initially equals to EUR 1,000.00 (one thousand Euro).
Insolvency Event	means in respect of any company (a) it is declared insolvent or bankrupt by a court of the competent jurisdiction; or (b) an application to initiate insolvency or legal protection proceedings or similar proceedings to that effect is submitted to a court, unless such application is challenged in court.
Instalment	means in respect to each Lease Agreement and Leaseback Agreement, each instalment due from the relevant Debtor thereunder, which consists of interest instalment and principal instalment.
Interest	means the interest on the Notes in accordance with Section 5.4.1 (Interest).
Interest Amount	has the meaning ascribed to such term in Section 5.4.3 (Determination of Interest Amounts).
Interest Period	means a three-month period ending on 31 January, 30 April, 31 July, 31 October.
Interest Rate	means the interest rate of the Senior Tranche Notes of 4.50% per annum and the Junior Tranche Note of 13.50% per annum, as applicable.
Issuer	means Primero SV1 OÜ, a limited liability company duly incorporated and organized under the legal acts of the Republic of Estonia, with registration number 16438773, having its registered office at Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5-246, 10117.
Issuer Account	means the cash funds account of the Issuer opened with Signet Bank ("Issuer Account Bank"), which is used for settling payments with the Originator, Servicer, Substitute Servicer (if any), Corporate Services Provider, Security Agent, Calculation Agent, and Noteholders.
Issuer Available Funds	will comprise, in respect of any Payment Date, the following amounts (without double counting): <ul style="list-style-type: none"> (a) all principal, interest, and other collections received in connection with the Receivables (other than Defaulted Receivables) during the respective Collection Period; (b) amounts received in connection with recoveries of the Defaulted Receivables during the respective Collection Period; (c) amounts received in connection with the sale of any Receivables (other than Defaulted Receivables) pursuant to the Sections 5.5.3 (Optional Redemption for Taxation Reasons), 5.5.4 (Optional Redemption for Regulatory Reasons) and 5.5.5 (Clean – Up Call Option); (d) amounts received in connection with sale of Defaulted Receivables pursuant to Section 10.4.1(Defaulted Receivables Call Option) during the respective Collection Period; (e) any amount received in connection with the repurchase of the Incompliant Receivables by the Originator as a result of breach of representations and warranties during the immediately preceding Collection Period, pursuant to Section 10.4.3 (Representation and warranties). (f) any amounts received from sale, if any, of the Portfolio following the delivery of a Note Acceleration Notice in accordance with Section 5.2.3 (Establishment and enforcement of the Security (g) amounts received as interest (if any) on Issuer Collection Account during the respective Collection Period; (h) any other amounts received from any Transaction Party during the respective Collection Period and not already included under items (a) to (g).
Junior Tranche	means the subordinated tranche to the Senior Tranche and which is the first tranche to bear losses incurred on the Notes.
Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing	means the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing of the Republic of Latvia, as amended or replaced from time to time.
Lease Agreement	means a transaction in which the Originator, on the basis of a written agreement, purchases a vehicle from a seller - a third party, for the period until the end of the transaction and until the end of the transaction, handing it over to the Debtor and granting the Lease to the Debtor. The purpose of the transaction is to finance the purchase of a vehicle. At the end of the term of the

		transaction, provided that the Debtor has fulfilled its obligations to the Originator, the vehicle is alienated for the benefit of the Debtor.
Leaseback Agreement		means a transaction in which the Debtor transfers to the Originator, on the basis of a written agreement, the ownership of a vehicle owned by it until the end of the transaction, which the Originator then leases to the Debtor until the end of the transaction and grants the Debtor a Leaseback. The purpose of the transaction is to provide additional funds to the Debtor. At the end of the transaction, provided that the Debtor has fulfilled its obligations to the Originator, the vehicle is alienated for the benefit of the Debtor.
Lease		means any and all leases provided under the respective Lease Agreement.
Leaseback		means any and all leasebacks provided under the respective Leaseback Agreement.
Mandatory Redemption		has the meaning ascribed to such term in Section 5.5.2 (Mandatory Redemption).
Receivables Agreement	Purchase	means an agreement for the transfer of the Aggregate Portfolio, entered into between the Originator and the Issuer on 30 June 2022 under which the Originator assigns to the Issuer and the Issuer accepts the current and future claims that arise from the Portfolio.
Majority Noteholders		means Noteholders representing at least 51% (fifty one per cent) of the Principal Amount Outstanding of the Most Senior Tranche of the Notes.
Maturity Date		the Payment date falling on 31 July 2029.
MiFID II		means the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended or replaced from time to time.
Mogo AS		means AS "mogo", a joint stock company duly incorporated and organized under the legal acts of the Republic of Latvia with registration number 50103541751, having its registered office at Skanstes iela 52, Riga, LV-1013, Latvia.
Most Senior Tranche		Most Senior Tranche Notes means: (i) Senior Tranche Notes or as long as these are outstanding; or (ii) if no Senior Tranche Notes are outstanding, the Junior Tranche Notes.
Nasdaq CSD or Depository		means Nasdaq CSD SE (with registration No. 40003242879 and with a legal address at: Valņu iela 1, LV-1050, Riga, the Republic of Latvia).
Note Acceleration Notice		means the written notice served by the Noteholders or an authorised representative of the Noteholders ("the Agent") upon the occurrence of a Trigger Event in accordance with Section 5.8 (Trigger Events).
Noteholders		A private person or legal entity that is an owner of one or more Notes and has a claim against the Issuer as stipulated by the legal acts.
Notes		means the debt security issued by the Issuer according to the Terms of the Notes Issue.
Operating Manual		means the operating manual of Nasdaq CSD.
Originator		means Primero Finance.
Outstanding Principal	Receivables	means on any relevant date, in relation to any Receivable the aggregate of all Principal Instalments with respect to the Receivables due on any subsequent Scheduled Instalment Date (excluding all Principal Instalments not yet due but prepaid by the relevant Debtor) plus any Principal Instalments due but unpaid on such date.
Parallel Debt		means an arrangement for the establishment of a parallel obligation to the Notes, agreed upon between the Issuer and the Security Agent under which the Issuer undertakes parallel obligation to any and all liabilities of the Issuer arising out or in connection to the Notes as set out in Section 5.2.2 (Parallel Debt).
Payment Dates		means <ul style="list-style-type: none"> (a) prior to the delivery of the Note Acceleration Notice, the date on which the Issuer makes quarterly payments falling on 31 January, 30 April, 31 July, and 31 October. (b) following the delivery of a Note Acceleration Notice, any day on which the payment is required to be made in accordance with the Post-Acceleration Priority of Payments.
PIT		means personal income tax.
Policy		means Credit Underwriting, Monitoring and Risk Management Policy of Primero (the Servicer).

Portfolio		means the portfolio which is comprised of the Lease Agreements and Leaseback Agreements, which constitute all existing and future claims held by the Originator against the Debtor and respective agreements as specified in Section 7 (PORTFOLIO).
Post-Acceleration Priority of Payments		means priority of payments that applies following the delivery of a Note Acceleration Notice or the redemption of the Notes in accordance with Sections 5.5.1 (Final Redemption), 5.5.3 (Optional Redemption for Taxation), 5.5.4 (Optional Redemption for Regulatory Reasons), 5.5.5 (Clean – Up Call Option).
Pre-Acceleration Priority of Payments		means priority of payments as according to Section 5.3.1 (Pre-Acceleration Priority of Payments) that shall be applied prior to the delivery of a Note Acceleration Notice or the redemption of the Notes in accordance with Sections 5.5.1 (Final Redemption), 5.5.3 (Optional Redemption for Taxation), 5.5.4 (Optional Redemption for Regulatory Reasons).
Primero Finance		means AS Primero Finance, a joint stock company duly incorporated and organized under the legal acts of the Republic of Latvia with registration number 40203148375, having its registered office at Antonijas 3, Riga, LV-1010, Latvia.
Principal Amount Outstanding		means, on any date, an amount equal to the Initial Principal Amount of the Note, minus the aggregate amount of all principal payments made to the Noteholders prior to such date, in respect of such Note.
Principal Payment Amount		means the payment amount as calculated pursuant to Section 5.6.1 (Determination and Calculation of the Principal Payment Amount and the Principal Amount Outstanding)
Principal Instalment		means the principal component of each Instalment.
Priority of Payments		means, as the case may be, the Pre – Acceleration Priority of Payments and the Post – Acceleration Priority of Payments in accordance with Section 5.3 (Priority of Payments).
Purchase Price		means the purchase price of EUR 9,417,000 (nine million four hundred and seventeen thousand Euro) payable by the Issuer to the Originator pursuant to the Receivables Purchase Agreement and being equal to the Fair Value of the Portfolio as of the relevant Valuation Date. The Fair Value of the Portfolio has been determined, considering expected discounted principal and interest related cash flows over the life of the Portfolio
Receivable(s)		means any and all claims and rights of the Originator, present and future, absolute or contingent, including ancillary rights to payment from the Debtor under the Lease Agreements and Leaseback Agreements that are transferred to the Issuer pursuant to the Receivables Purchase Agreement.
Receivables Agreement	Purchase	means an agreement for the transfer of the Aggregate Portfolio, entered into between the Originator and the Issuer on 30 June 2022 under which the Originator assigns to the Issuer and the Issuer accepts the current and future claims that arise from the Portfolio.
Redemption		<p>the Notes are subject to the following optional or mandatory redemption events:</p> <ul style="list-style-type: none"> (a) mandatory redemption in whole on the Maturity Date as set out in Section 5.5.1 (Final Redemption); (b) mandatory redemption in part on every Payment Date commencing on the first Payment Date subject to availability of the Issuer Available Funds in accordance with the applicable Priority of Payments as set out in Section 5.5.2 (Mandatory Redemption); (c) optional redemption exercisable by the Issuer upon occurrence of Tax Event or Regulatory Change Event as defined in Sections 5.5.3 (Optional Redemption for Taxation Reasons) and 5.5.4 (Optional Redemption for Regulatory Reasons); (d) optional redemption by the Issuer upon occurrence of Clean-up Call Condition as set out in Section 5.5.5. (Clean-Up Call Option); (e) mandatory redemption in case of occurrence of a Trigger Event as set out in Section 5.5.6 (Early Redemption in case of Trigger Event). <p>Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note together with accrued and unpaid interest on the Principal Amount Outstanding up to (but excluding) the date of redemption.</p>
Regulatory Change Event		means an event set out in Section 5.5.4 (Optional Redemption for Regulatory Reasons), giving rise to an optional redemption.

Reporting Entity	means Signet Bank or any other person acting as the reporting entity pursuant to Article 7(2) of the Securitisation Regulation or any other person acting as such under the Securitisation from time to time.
Repurchase Price	means the sum of: <ul style="list-style-type: none"> (a) the fair value of the Receivables comprised in the Portfolio (other than the Defaulted Receivables) on the immediately preceeding Collection Date as determined in accordance with standard market practice; (b) the fair value of the Defaulted Receivables comprised in the Portfolio on the immediately preceeding Collection Date as determined in accordance with standard market practice.
Repurchase Price of the Defaulted Receivable	in respect of any Defaulted Receivable means the Fair Value of such a Receivable, calculated according to standard market practice.
Road Traffic Safety Directorate	means the Road Traffic Safety Directorate of the Republic of Latvia.
Sanctions	means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any of the sanctions authorities, including European Union, government of the United States of America, United Nations, national governments of the Republic of Latvia and Republic of Estonia, applicable and binding to the Transaction Parties.
Scheduled Instalment Date	means the date on which an Instalment is due pursuant to each Lease Agreement and Leaseback Agreement.
Securitisation	means the securitisation of the Receivables made by the Issuer through the issuance of the Notes.
Securitisation Regulation	means (a) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation; (b) Commission delegated regulation supplementing Regulation (EU) 2017/2402 with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE; and (c) Commission implementing regulation laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE .
Security	means the security described in Section 5.2.1 (Security) which serves as security for fulfilment of the obligations of the Issuer towards the Noteholders according to the Terms of Issue.
Security Agent	means ZAB Vilgerts SIA a limited liability company duly incorporated and organized under the legal acts of the Republic of Latvia with registration number 40203309933, having its registered office at Skanstes iela 7 k-1, Riga, LV-1013, Latvia.
Security Agent Agreement	means an agreement for an appointment the Security Agent, entered into between the Issuer and the Security Agent on 30 June 2022 as amended from time to time under which the Security Agent undertakes to hold and manage the Security in favour of the Noteholders.
Security Agreement	means an agreement for the establishment of the Security in favour of the Noteholders, entered into between the Issuer and the Security Agent under which a commercial pledge over the pool of receivables arising from the Aggregate Portfolio is established.
Seller	means Primero Finance.
Senior Tranche	means the prioritised tranche of the Notes to the Junior Tranche of the Notes.
Servicer	means Primero Finance.
Servicing Agreement	means an agreement for the servicing of the Portfolio, entered into between the Servicer and the Issuer on 30 June 2022 as amended from time to time under which the Servicer services Portfolio.
Signet Bank	means Signet Bank AS, a joint stock company duly incorporated and organized under the legal acts of the Republic of Latvia with registration number 40003076407, having its registered office at Antonijas iela 3, Riga, LV-1010, Latvia.
Sponsor	means Signet Bank.

Substitute Servicer	means an entity that would take over the obligation of the Servicer in accordance with the provisions of Section 11.4 (Servicer Termination Events)
Tax Call Event	means an event described in Section 5.5.3 (Optional Redemption for Taxation), which gives rise to optional Redemption.
Terms of Issue	means these Terms of the Notes Issue as amended or supplemented from time to time.
Tranche	as defined under Article 2(6) of the Regulation (EU) 2017/2402. This issue of the Notes under these Terms of Issue has two tranches – Senior Tranche and Junior Tranche.
Transaction Documents	means these Terms, the Receivables Purchase Agreement, the Servicing Agreement, the Corporate Services Agreement, the Calculation Agent Agreement, the Security Agent Agreement, the Security Agreement, and other agreement entered into between the Transaction Parties from time to time which designated as a "Transaction Document" by the parties thereto.
Transaction Parties	means the Issuer, the Originator, the Sponsor, the Security Agent, the Calculation Agent, the Arranger and any other party to a Transaction Document.
Transfer Date	means a date on which the Portfolio is transferred pursuant to the Receivables Purchase Agreement.
Trigger Event	means any one or more of the following events described in: <ul style="list-style-type: none"> (a) Section 5.8.1 i) (Non-payment); (b) Section 5.8.1 ii) (Insufficiency of Portfolio Cash Flows); (c) Section 5.8.1 iii) (Insolvency); (d) Section 5.8.1 iv) (Failure to perform an); (e) Section 5.8.1 v) (Failure to comply with the Covenants); (f) Section 5.8.1 vi) (Failure to provide valid and enforceable Security); (g) Section 5.8.1 vii) (Failure to appoint a Substitute Servicer); (h) Section 5.8.1 viii) (Failure to comply with reporting requirements prescribed by the applicable legal acts); (i) Section 5.8.1 ix) (Failure to comply with other material reporting requirements of the Issuer).
Valuation Date	means with respect to the initial Portfolio, 31 May 2022.
Weighted Average Maturity of the Notes or WAM	refers to the average amount of time that will elapse from the Issue Date to the date of distribution of principal amounts to the Senior Tranche and Junior Tranche Noteholders.

2. RISK FACTORS

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS. BELOW IS A DESCRIPTION OF THE RISK FACTORS THAT ARE MATERIAL FOR THE ASSESSMENT OF THE MARKET RISK ASSOCIATED WITH THE NOTES AND RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES. ALL OF THESE FACTORS 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.

SHOULD ONE OR MORE OF THE RISKS DESCRIBED BELOW MATERIALISE, THIS MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CASH FLOWS, RESULTS OF OPERATIONS, AND FINANCIAL CONDITION OF THE ISSUER. MOREOVER, IF ANY OF THESE RISKS MATERIALISE, THE MARKET VALUE OF THE NOTES AND THE LIKELIHOOD THAT THE ISSUER WILL BE IN A POSITION TO FULFIL ITS PAYMENT OBLIGATIONS UNDER THE NOTES MAY DECREASE, IN WHICH CASE THE NOTEHOLDERS COULD LOSE ALL OR PART OF THEIR INVESTMENTS.

BEFORE DECIDING TO PURCHASE THE NOTES, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO ALL OTHER INFORMATION PRESENTED IN THE TERMS OF NOTES ISSUE, AND CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS IF NECESSARY. MOREOVER, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT SEVERAL OF THE DESCRIBED RISK FACTORS CAN OCCUR SIMULTANEOUSLY AND TOGETHER WITH OTHER CIRCUMSTANCES COULD HAVE A POTENTIALLY STRONGER IMPACT ON THE ISSUER. THIS IS NOT AN EXCLUSIVE LIST OF RISK FACTORS, AND ADDITIONAL RISKS, OF WHICH THE ISSUER IS NOT PRESENTLY AWARE, COULD ALSO HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER.

THIS SECTION MAY NOT FEATURE ALL OF THE POTENTIAL RISKS, WHICH MAY AFFECT THE ISSUER. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE ISSUER OR THAT IT CURRENTLY BELIEVES TO BE IMMATERIAL COULD ALSO HAVE A MATERIAL ADVERSE EFFECT ON THE CASH FLOWS, RESULTS OF OPERATIONS, AND FINANCIAL CONDITION OF THE ISSUER.

2.1. Risks related to the availability of funds to pay the Notes

2.1.1. *Noteholders cannot rely on any person other than the Issuer to make payments on the Notes*

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Transaction Parties or any other person. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

2.1.2. *The Issuer has a limited set of resources available to make payments on the Notes*

The Issuer's principal assets are the Receivables. As at the date of these Terms of Issue, the Issuer has no assets other than the Aggregate Portfolio as described in these Terms of Issue.

The Notes will be limited recourse obligations solely of the Issuer. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on, inter alia, (i) the timely payment of amounts due under the Lease Agreements and Leaseback Agreements by the Debtors, (ii) the receipt by or on behalf of the Issuer of Collections in respect of the Lease Agreements and Leaseback Agreements from time to time comprised in the Aggregate Portfolio, and (iii) the receipt of any other amounts required to be paid to the Issuer by the various agents and counterparties to the Issuer pursuant to the terms of the Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

There is no assurance that, over the life of the Notes or upon Redemption of the Notes there will be sufficient Issuer Available Funds to enable the Issuer to pay Interest when due on the Notes and to repay the Principal Amount Outstanding on the Notes in full, which may result in loss to the Noteholders.

2.1.3. *Any loss would be firstly suffered by the Noteholders of the Junior Tranche having a lower ranking in the Priority of Payments*

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, each Class of Notes will rank as set out in Section 5.1.5 (Ranking of the Notes).

To the extent that any losses are suffered by any of the Noteholders, such losses will be borne (i) by the Noteholders of the Junior Tranche Notes, and if the total losses exceed the size of the Junior Tranche (ii) thereafter, by the Noteholders of the Senior Tranche Notes.

2.1.4. *Delay or default in payment by the Debtors may impact the timely and full payment due under the Notes*

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors and the scheduled Payment Dates. The Issuer is also subject to the risk of default in payment by the Debtors and failure by the Servicer to collect or recover or transfer sufficient funds in respect of the Receivables in order to enable the Issuer to discharge all amounts payable under the Notes. Individual, personal or financial conditions of the Debtors may affect the ability of the Debtors to make the payments under the Lease Agreements or Leaseback Agreements respectively. Unemployment, loss of earnings, illness and other similar factors may lead to an increase in delinquencies under the Lease Agreements and Leaseback Agreements and could ultimately have an adverse impact on the ability of the Debtors to make payments. These risks are mitigated by the liquidity and credit support provided in respect of the Senior Tranche Notes, by the Junior Tranche Notes.

However, in each case, there can be no assurance that the levels of support provided to the Senior Tranche Notes by the Junior Tranche Notes will be adequate to ensure punctual and full receipt of amounts due under the Senior Tranche Notes.

2.1.5. The Issuer may incur unexpected expenses which could reduce the funds available to pay the Notes

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any Further Securitisation because the activities of the Issuer are limited to the carrying out of securitisation transactions and activities related or ancillary thereto and the Issuer has provided certain covenants in the Transaction Documents which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions. Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to other parties (which rank ahead of all other items in the applicable Priority of Payments), as a result of which the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

2.1.6. Credit risk on the Originator and other parties of the Transaction Documents

The ability of the Issuer to make payments under the Notes will depend to a large extent upon the due performance by the Originator and other parties to the Transaction Documents of their obligations under the respective Transaction Documents.

In particular, the Issuer's ability to fully perform its obligations under the Notes will depend on the Servicer's ability to service the Portfolio and recover the amounts related to Defaulted Receivables, as well as make timely payments of the Collections to the Issuer pursuant to the Servicing Agreement. Furthermore, the ability of the Issuer to make payments under the Notes may depend on the due performance by the Originator of its obligations under the Receivables Purchase Agreement, including the due performance of its obligation to repurchase Incompliant Receivables. The performance of the parties to the Transaction Documents of their respective obligations under the relevant Transaction Documents may be influenced by the solvency of each relevant party.

2.2. Risks related to the Receivables

2.2.1. Yield to maturity, amortisation and Weighted Average Maturity of the Notes are influenced by a number of factors

The performance of the Notes is dependent on the performance of the pool of underlying Receivables in the Portfolio. The yield to maturity, the amortisation and the Weighted Average Maturity of the Notes will depend on, *inter alia*, the amount and timing of the payments under the Lease Agreements and Leaseback Agreements (including prepayments and proceeds arising out of enforcement of the agreements). Thus, the Weighted Average Maturity will depend on the amount of the Issuer Available Funds available to redeem the Notes.

In addition, the yield to maturity, the amortisation and the Weighted Average Life of the Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of prepayment, delinquency and default on the Lease Agreements and Leaseback Agreements, the exercise by the Originator of its right to repurchase the outstanding Aggregate Portfolio upon occurrence of a Tax Call Event, Regulatory Change Event, or Clean-Up Call Condition, or the renegotiation by the Servicer of any of the terms and conditions of the Lease Agreements and Leaseback Agreements in accordance with the provisions of the Servicing Agreement.

Prepayments may result in connection with refinancing by the Debtors voluntarily. The level of delinquency and default on payment of the relevant lease payments or request for renegotiation under the Lease Agreements and Leaseback Agreements or level of early prepayment of the agreements cannot be predicted with full certainty, as the predictions are based on a relatively short historic period that may not necessarily reflect the future situation and the actual performance can be influenced by a wide variety of economic, market industry, social and other factors, including prevailing loan market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions as well as special legislation.

Calculations as to the estimated Weighted Average Maturity of the Notes are based on various assumptions relating also to unforeseeable circumstances. No assurance can be given that such assumptions and estimates will be accurate and, therefore, calculations as to the estimated Weighted Average Maturity of the Notes must be viewed with considerable caution.

2.2.2. The performance of the Aggregate Portfolio may deteriorate in case of default by the Debtors

The Portfolio comprises only Receivables deriving from Lease Agreements and Leaseback Agreements that meet the Eligibility Criteria as at the Issue Date.

However, there can be no guarantee that the Debtors will not default or that they will continue to perform their respective payment obligations in relation to the Lease Agreements and Leaseback Agreements. It should be noted that adverse changes in economic conditions may affect the ability of the Debtors to make payments in respect of the agreements.

The Collections in respect of the Lease Agreements and Leaseback Agreements will be affected by the length of court proceedings in respect of the Lease Agreements and Leaseback Agreements, which in the Republic of Latvia can take a considerable amount of time depending on the type of action required and where such action is taken. Factors which can have a significant effect on the length of the proceedings include the following: the legal and judicial system in Latvia have less experience than those of the western European countries; various types of financing and related transactions are relatively new in Latvia and have not been as extensively developed or interpreted by local judges and regulators as compared to western European countries; the relatively limited experience of a significant number of judges practicing in Latvia, specifically with regard to the interpretation and applicability of commercial law and capital markets law issues, may lead to unexpected decisions or results; it may not be possible, in certain circumstances, to obtain effective legal remedies in a timely manner in Latvia due to the overload and ineffectiveness of the court system; legal acts are subject of frequent amendment, so for this reason there is little settled case law from Latvian courts; in addition, court proceedings in Latvia may be lengthier than in other EU countries and, consequently, plaintiffs may encounter difficulties in achieving foreseeable, fast and effective protection of their interests through the Latvian courts.

2.2.3. No independent investigation has been or will be made in relation to the Receivables

The Issuer has purchased the Portfolio on the basis of, and upon reliance on, the representations and warranties made by the Originator in relation to the Portfolio as whole and not in relation to separate Leases or Leasebacks.

The Issuer would not have entered into the Receivables Purchase Agreement without having received such representations and warranties given that neither the Issuer nor the Arranger or any other Transaction Party has carried out any due diligence in respect of the Receivables and the relevant Lease Agreements and Leaseback Agreements. More generally, none of the Issuer, the Arranger or any other Transaction Party has undertaken or will undertake any other investigation, searches or other actions to verify the details of the Receivables, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtors.

The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator repurchases the Receivables which do not comply with any such representation and warranty pursuant to Receivables Purchase Agreement (see Section 8.4.3 (Representations and warranties)). Such repurchase obligations undertaken by the Originator under the Receivables Purchase Agreement give rise to unsecured claims of the Issuer and no assurance can be given that the Originator will pay the relevant amounts if and when due.

2.2.4. The Issuer will not have any title to the vehicles

The Issuer will acquire from the Originator interests in the Receivables, including the rights to receive certain payments from the Debtors and other ancillary rights under the Lease Agreements and Leaseback Agreements, pursuant to the Receivables Purchase Agreement.

However, the Issuer will not directly have any title to the Vehicles nor will it benefit from any security interests over the same, as these will remain with the Originator and AS “mogo” (subject to previous portfolio transfer agreements between the Originator and AS “mogo”). Therefore, in the event of payment default by the Debtors, the Issuer will not be entitled to repossess the vehicles directly, and will be reliant on the Originator of returning the recovered proceeds subject to Transaction Documents.

2.2.5. It may be not possible to recover full principal and interest owed by the Debtors, reducing the Issuer Available Funds

As the Receivables are not guaranteed by any mortgage or pledge registered on any vehicle, in the event of a payment default by the Debtors, the Originator’s right to repossess the vehicle is limited. It may be difficult to trace and repossess any vehicle and the recovered amount from sale of such vehicle might not fully cover the outstanding principal of such Lease or Leaseback agreement. Any action to recover outstanding amounts will be pursued only if the expected value of such recovery exceeds the cost.

In addition, the pledged vehicle could lose its value and could be sold for an amount less than the amount owed by the Debtor, or the vehicle could be stolen, hidden, missing, alienated, or damaged.

2.3. Other risks relating to the Notes and the structure

2.3.1. Investment in the Notes is only suitable for certain investors

The Notes, are sophisticated financial instruments, which can be difficult to understand and involve a significant degree of risk. Prospective investors in any of the Notes should ensure that they understand the nature of such Notes and the extent of their exposure to the relevant risks. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition.

Investment in the Notes is only suitable for investors who (i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; (iii) are capable of bearing the economic risk of an investment in the Notes; and (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

Prospective investors should not rely on or construe any communication (written or oral) of the Issuer, the Arranger or any other Transaction Party as investment advice or as a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Arranger or any other Transaction Party shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

If a Noteholder does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses.

Therefore, prospective investors should make their own independent decision whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them, based upon their own judgment and upon advice from such advisers as they may deem necessary.

2.3.2. Payment of interest on the Junior Tranche Notes may be deferred in certain circumstances

Non-payment of interest on Junior Tranche Notes will not constitute a Trigger Event. Payments of interest on the Junior Tranche Notes will be subject to deferral to the extent that there are insufficient Issuer Available Funds on any Payment Date in accordance with the Pre-Acceleration Priority of Payments to pay in full the relevant Interest Amount which would otherwise be payable on such Class of Notes. The amount by which the aggregate amount of interest paid on the Junior Tranche Notes on any Payment Date falls short of the aggregate amount of interest which otherwise would be payable on the Junior Tranche Notes on that date shall be accrued and paid on the next

succeeding Payment Date when there are sufficient Issuer Available Funds, in accordance with Pre-Acceleration Priority of Payments pursuant to Section 5.3.1. If, on the Cancellation Date, there remains any such shortfall, the amount of such shortfall will become due and payable on such date, subject in each case to the amounts of Issuer Available Funds and, to the extent unpaid, will be cancelled.

Any Interest Amount due but not payable on the Senior Tranche Notes on any Payment Date prior to the Cancellation Date will not be deferred and any failure to pay such Interest Amount will constitute a Trigger Event pursuant to Section 5.8 (*Trigger Events*).

2.3.3. Individual Noteholders have limited enforcement rights

The Terms of Issue limit the ability of individual Noteholders to commence proceedings (including proceedings for initiation of insolvency) against the Issuer.

The simple majority resolution of the Noteholders is binding to all Noteholders. Thus, a Noteholder is subject to the risk of being outvoted by a majority resolution of the other Noteholders. As such, certain rights of such Noteholder against the Issuer may be amended or reduced, or even cancelled, without its consent.

2.3.4. Resolutions of Noteholders are binding to all Noteholders

Resolutions adopted in accordance with Section 5.10 (Decision making by the Noteholders) are binding on all Noteholders. Therefore, certain rights of each individual Noteholder against the Issuer under the Terms of the Issue may be limited.

As only the Noteholders of the Most Senior Tranche of Notes will be eligible for voting at any given point in time and the interests of Senior Tranche Noteholders might differ from those of Junior Tranche Noteholders, under specific circumstances, the result of such vote might be detrimental to the interests of the Junior Tranche Noteholders.

2.4. Counterparty risks

2.4.1. The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of the Servicer

Up to the relevant transfer date pursuant to the Receivables Purchase Agreement the servicing of the Receivables comprised in the Portfolio has been performed by the Originator on the grounds of servicing and commercial agency agreements. Following the Transfer Date, the Receivables comprised in the Portfolio will continue to be serviced by the Originator as the Servicer in accordance with the Servicing Agreement, but the Servicer will be entitled to outsource certain services, such as e.g. debt collection, to third parties. Nevertheless, the Servicer will remain responsible for ensuring that the collection of the Receivables and the relevant cash and payment services comply with Latvian law and with these Terms of Issue.

2.4.2. No Back-up Servicer may be available for servicing the underlying Receivables

There can be no assurance that a Substitute Servicer who is sufficiently experienced, able and willing to service the relevant Receivables could be appointed to take over the servicing from the Originator in a timely and swift manner. Any delay or inability to appoint a Substitute Servicer may significantly affect the timeline and repayments on the respective Receivables, leading to a potential loss on the Notes.

Furthermore, it is not certain that the Substitute Servicer would service the relevant Receivables on the same terms as those provided for in the Servicing Agreement. The ability of the Substitute Servicer to fully perform the required services will depend, *inter alia*, on the information, software and record available to it at the time of its appointment.

2.4.3. The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of other Transaction Parties

The timely payment of amounts due on the Notes will depend on the performance by other Transaction Parties of their obligations under the relevant Transaction Documents. In addition, the ability of the Issuer to make payments under the Notes may depend, to a certain extent, upon the due performance by the Originator of its obligations under the Servicing Agreement in respect of the relevant Receivables. The performance of such parties of their respective obligations under the relevant Transaction Documents may be influenced by the solvency of each relevant party.

The inability of any of the Transaction Parties to provide its services to the Issuer (including any failure arising from circumstances beyond its control, such as pandemics) may ultimately affect the Issuer's ability to make payments on the Notes.

2.4.4. Conflicts of interest may influence the performance by the Transaction Parties of their respective obligations under the Securitisation

Conflicts of interest may exist or may arise as a result of any party to the Securitisation (a) having been previously engaged or in the future engaging in transactions with other parties to the Securitisation, (b) having multiple roles in the Securitisation, and/or (c) carrying out other transactions for third parties.

Without limiting the generality of the foregoing, under the Securitisation (a) Signet Bank will act as the Calculation Agent and Sponsor, and (b) Primero Finance will act as the Originator, Servicer, and Corporate Services Provider (c) ZAB Vilgerts will act as the Security Agent.

In addition, Primero Finance may hold and/or service receivables arising from the Lease Agreements or Leaseback Agreements other than the Receivables and provide general financial services to the Debtors. Even though under the Servicing Agreement Primero Finance may renegotiate the terms of the Lease Agreements and Leaseback Agreements with the Debtors subject to certain terms and conditions, it

cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other contractual relationships with the same Debtors.

The Arranger may also be involved in a broad range of transactions with other parties.

Conflict of interest may influence the performance by the Transaction Parties of their respective obligations under the Securitisation and ultimately affect the interests of the Noteholders.

2.4.5. Historical, financial and other information relating to the Originator and Servicer represents the historical experience which may change in the future

The historical, financial and other information set out in Sections 13 (AS PRIMERO FINANCE) and 7.4 (Characteristics of the Portfolio) represents the historical performance of the Originator and Servicer.

There can be no assurance that the future experience and performance of Primero Finance as the Servicer of the Aggregate Portfolio will be similar to the experience shown in these Terms of Issue.

2.5. Macro-economic and geopolitical risks

2.5.1. Geographic concentration and macroeconomic risks

The Lease Agreements and Leaseback Agreements accordingly have been concluded with the Debtors who, as at the Issue Date, were residents in Latvia. A deterioration in economic conditions resulting in increased unemployment rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, inflation and other results that negatively impact household incomes could have an adverse effect on the ability of the Debtors to make payments under the agreements and result in losses on the Notes.

The Latvian market is not immune to regional and global macroeconomic fluctuations and is closely linked with the economies of the European Union and the Economic and Monetary Union of the European Union. A slowdown in the European Union may negatively affect the economies of Latvia and the Baltic markets, consequently negatively impacting the ability of the Debtors to make payments.

The global economy and most industries have seen strong headwinds since the first quarter of 2020, driven by the outbreak of the Covid-19 pandemic. Overall, the economy of Latvia has managed to withstand the pandemic relatively well, experiencing one of the lowest recessions in the European Union and a swift recovery. However, future waves of pandemic with potentially more detrimental consequences on the local economy cannot be ruled out.

Selected Economic indicators of the Republic of Latvia

	2020	2021	2022F	2023F
Real GDP (% yoy)	-3.8	4.7	2.1	3.2
CPI (% yoy)	0.1	3.2	9.5	3.6
Unemployment (%)	8.1	7.6	7.3	-

Source: Bloomberg consensus

If the payments and timing of the same in relation to the agreements are adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes. Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

2.5.2. Risks related to Covid-19 pandemic

The pandemic has led to the state of emergency being declared in various countries, including Latvia and Estonia, the establishment of quarantines and temporary shutdown of various institutions and companies, including the adoption by a number of companies in Latvia and Estonia of an unprecedented measure, namely that of having all, or the vast majority, of its employees now working remotely.

In this context, legislators, regulators and supervisors, on both national and international level, have issued regulations, communications and guidelines. These are mainly aimed at ensuring that the efforts of the financial institutions are focused on the development of the critical economic functions they perform, and to ensure consistent application of regulatory frameworks.

With respect to the Notes, any quarantines or spread of viruses may affect in particular: (i) the Originator's own capacity to carry out its business as normal; (ii) the ability of some Debtors to make timely payments of principal and/or interests under the Lease Agreements and Leaseback Agreements; (iii) the cash flows derived from the Receivables in the event of payment holidays or any other measure whether imposed by the competent government authority or applicable legislation or otherwise affecting payments to be made by the Debtors under the Receivables; (iv) the market value of the Notes; and (v) third parties ability to perform their obligations under the Transaction Documents to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics).

Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this paragraph and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

2.5.3. Geopolitical risks

In February 2022 Russia started invasion of Ukraine that has led to significant volatility in global credit markets and global economy, and has disproportionately more negatively affected the economies of the Baltic States and investor sentiment towards the region.

The war has resulted in production chain disruptions in many industries globally and affected the availability and cost of certain materials and intensified general inflationary pressures. The rapidly increasing inflation may negatively influence the disposable income of the Debtors and, thus, their ability to meet their debt obligations, which could potentially negatively influence the Issuer Available Funds and, thus, the Issuer's ability to meet its obligations under these Terms of the Issue.

2.6. ESG risks

ESG risks arise from environmental, social and governance factors that may impact Transaction Parties or assets, affecting financial risks.

2.6.1. Environmental factors

The vehicles financed by Lease Agreements and Leaseback Agreements in the Aggregate Portfolio are vehicles with internal combustion engines that are powered by diesel, petrol or gas, and are not aligned with the EU's Taxonomy principles for sustainable activities set out in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. Internal combustion engines create emission of pollutants, including greenhouse gases, and there is a growing pressure across Europe, including Latvia, on activities and restrictions aimed at reducing greenhouse gas emissions in order to mitigate climate change risks.

Another driver of transition risks driven by environmental factors might be the change in market sentiment linked to the transformation towards environmentally sustainable economy. Changing consumer preferences regarding vehicle ownership and usage might reduce demand for them.

The aforementioned and other environmental factors may result in lower values of the vehicles and negatively affect the recovered amounts from the sale of such vehicles.

2.6.2. Social factors

Social factors are related to the rights, well-being and interests of people and communities, and include factors such as (in)equality, health, inclusiveness, labour relations, workplace health and safety, human capital and communities. Violations of social factors by the Transaction Parties can lead to legal and reputational risks and thus affect their business and financial performance.

Non-bank lending service providers may have higher exposure to reputational risks driven by market sentiment change due to typically higher interest rates and elevated financial vulnerability of borrowers within this segment, which might affect the performance of the Originator, Servicer, and Corporate Servicer and the liquidity for the Notes on the secondary market.

2.6.3. Governance factors

Governance factors cover governance practices, including executive leadership, executive pay, audits, internal controls, tax avoidance, board independence, shareholder rights, corruption and bribery, and also the way in which companies or entities include environmental and social factors in their policies and procedures.

Primero Finance and Signet Bank both are supervised entities (Primero Finance by the Consumer Rights Protection Centre, Signet Bank by the Financial and Capital Market Commission), are required to develop and maintain rigid internal control and risk management systems, and have relatively long track record on their performance. The Issuer on the other hand is a securitisation special purpose entity, established for the purposes of performing the Securitisation, with very limited allowed types of activities. These aspects can be considered as governance risk mitigating factors.

2.7. Risks related to the Notes

2.7.1. There will be limited liquidity for the Notes on the secondary market

Neither the Issuer, nor the Arranger, nor any other party guarantees the minimum liquidity of the Notes. Thus, the prospective investors should take into account the fact that they may not be able to sell or may face difficulties in selling their Notes on the secondary market at their fair market value or at all.

2.7.2. The Notes may remain unlisted

While the Issuer may consider the possibility of requesting the admission to trading of the Notes on the Multilateral Trading Facility ("MTF") First North operated by Nasdaq Riga, no formal decision by the Issuer with respect to potential listing of the Notes has been made.

Furthermore, there is a risk that Nasdaq Riga will not accept the Notes to be admitted to trading on First North or order the Notes to be delisted from First North before maturity after admission to trading has taken place due to changes in legal acts, including Nasdaq Riga regulations, or recommendations by the Financial and Capital Market Commission ("FCMC").

2.7.3. Noteholders are exposed to the risk of unfavourable price development of their Notes

The development of market prices of the Notes depends on various factors, such as changes of interest rates, central bank policies, overall economic development, or demand for the Notes.

The Notes bear a fixed interest rate. Thus, prospective investors who seek to sell the Notes before their final maturity are exposed to interest rate risk, if the market interest rate increases, the price of fixed rate Notes typically declines.

Neither the Issuer, nor any other person undertakes to maintain a certain price level of the Notes. The Noteholders are thus exposed to the risk of unfavourable price development of their Notes, if they sell the Notes prior to final maturity.

2.7.4. Under certain conditions the Notes may be redeemed prematurely at the initiative of the Issuer

According to the Terms of Issue, under certain circumstances the Notes may be redeemed prematurely at the initiative of the Issuer in accordance with Sections 5.5.3, 5.5.4, and 5.5.5. If the early redemption right is exercised by the Issuer, the rate of return from the investment into the Notes may be lower than initially expected, as the Noteholder might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Notes being redeemed.

2.7.5. Tax risk

Tax rates and tax payment procedure applicable at the time of purchase of the Notes to tax residents, non-residents of the Republic of Latvia, and residents of other jurisdictions may change. The Issuer will not compensate the increase in taxes to the prospective investors, therefore the prospective investors may receive smaller payments related to Notes.

2.7.6. Risk that some Noteholders might have more preferential terms than others

While the Issuer will try to maintain the proportional reduction principle to the extent possible in final allocation of the Notes, in case the total number of Notes subscribed for is higher than the number of Notes available, the Issuer has a right to refuse all or part of the subscribed Notes to any prospective investor due to perceived risks that might not be directly measurable and be subjective, thus, the proportionality principle might not be observed.

Additionally, the Issuer has the right to sell the Notes at a price lower than their Initial Principal Amount to selected Noteholders and / or enter into agreements that may add additional rights to selected Noteholders if the Issuer perceives them as especially important for this Notes issue due to the size of their investment or added experience. This may result in a situation where some Noteholders might gain more preferential terms for investment into the Notes than the rest of the Noteholders.

2.8. Risks related to the Security

2.8.1. Risks associated with the Security Agent Agreement

The Noteholders are represented by the Security Agent in all matters relating to the Security. There is a risk the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Security. Subject to the terms of the Security Agent Agreement, the Security Agent is entitled to enter into agreements for the use of the services of third-party representatives in the course of performance of its tasks as stipulated in these Terms of the Issue or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Security or for the purpose of settling, among others, the Noteholders rights to the Security.

2.8.2. The enforcement of Security will be subject to the procedures and limitations set out in the Security Agent Agreement and these Terms of the Notes Issue

Even when the Security is enforceable, the enforcement is subject to the procedures and limitations agreed in the Security Agent Agreement and the Terms of the Notes Issue. There can be no assurance as to the ability of the Noteholders to instruct the Security Agent to initiate any enforcement procedures. Furthermore, any enforcement of the Security may be delayed due to the provisions of the Security Agent Agreement and these Terms of the Notes Issue.

The Security of the Notes is a commercial pledge registered with the Commercial Pledge Register of the Republic of Latvia over the pool of receivables arising from the Aggregate Portfolio of the Issuer, which is a company established in the Republic of Estonia. This structure poses a risk that the Security might be declared unenforceable or void.

2.8.3. The rights of the Noteholders depend on the Security Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of the Security Agent as the agent and representative of the Noteholders, to represent and act for such secured creditors, *i.e.*, Noteholders, in relation to the Security.

Only the Security Agent is entitled to exercise the rights under the Security and enforce the same. Any failure by an agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Noteholders due to, for example, inability to enforce the security and/or receive any or all amounts payable from the Security in a timely and effective manner.

2.8.4. Risks associated with Parallel Debt

The security interests in the Security that will secure the obligations of the Issuer under the Notes will not be granted directly to the Noteholders but will be created and perfected in favour of the Security Agent. Thus, the Noteholders will not have any independent power to enforce, or have recourse to, any of the Security Agreements or to exercise any rights or powers arising under the Security Agreements. Only the Security Agent will be entitled to enforce the Security. As a result of these restrictions, the Noteholders will have limited remedies and recourse against the Issuer in case of a Trigger Event. In particular, none of the Noteholders will have a direct benefit under the Security, and none of the Noteholders will have the status of a secured creditor in the insolvency or legal protection proceedings of the Issuer. From a purely legal perspective, the Noteholders will qualify as unsecured creditors of the Issuer and the Noteholders' claims under the Notes vis-à-vis the Issuer directly will be unsecured obligations of the Issuer.

Due to Latvian law legal requirements, the Security Agent cannot take and perfect the security for the Issuer's obligations under the Notes. The Parallel Debt creates contractual security for the Noteholders' claims under the Notes because the Security Agent has an obligation to apply the enforcement proceeds received in enforcement of the Security securing the Parallel Debt in and towards satisfaction of the Noteholders' claims.

Parallel Debt is a contractual instrument designed to allow the Security Agent to take, perfect, maintain, administer and enforce the Security in its own name and right but for the benefit of the Noteholders. The concept of the Parallel Debt is not explicitly recognized under the Latvian law and its legality, validity and enforceability has not been tested in the Latvian courts. If the Parallel Debt arrangements are declared to be illegal, invalid or unenforceable by Latvian court, that will result in the Security not being valid and enforceable or not being duly perfected in accordance with the applicable legal requirements. As a consequence, the Noteholder's claims under the Notes would rank *pari passu* with other unsecured obligations of the Issuer and the Noteholders will not have a preferential right to the enforcement proceeds of the Security.

2.9. Legal and regulatory risks

2.9.1. No specific securitisation laws in Estonia and Latvia

There are currently no securitisation laws in Estonia where the Issuer is registered and Latvia where the Lease Agreements and Leaseback Agreements have been originated. There are no dedicated laws and regime in Estonia addressing specific special purpose vehicle issuer insolvency or limited recourse concepts.

While the Terms of the Issue have been drafted in accordance with the Securitisation Regulation, it cannot be ruled out that after adoption of such local securitisation laws in Estonia the Issuer may turn out to be not fully compliant with some specific provisions of such laws. This may result in the need of changing specific provisions of these Terms of the Issue or in the Regulatory Change Event, triggering the Issuer's right for early redemption of the Notes subject to Section 5.5.4 (Optional Redemption for Regulatory Reasons).

2.9.2. Risks associated with ruling of Higher Court of Latvia with respect to sale of loan portfolio to a non-licensed entity

In January of 2021 the Supreme Court of the Republic of Latvia has made a judgement, where it evaluated assignment of claims arising out of consumer credit agreements to capital companies, which do not have the special permit (licence) for the provision of a consumer credit service. The Supreme Court admits that the assignment of claims of providers of consumer credit services is permitted only to licenced capital companies, since the transfer of rights of claim may affect the rights of a consumer and may place the consumer in a disadvantageous position, if the rights of claim are acquired by persons, which do not comply with the requirements of the legal acts, in particular, with the Consumer Rights Protection Law.

The judgement has been criticised by the industry, and also the legislator of the Republic of Latvia reacted by including in the draft Securitisation Law of the Republic of Latvia a clause setting out that the securitisation company shall not have the special permit (licence) for the provision of a consumer credit service.

According to the legal acts of the Republic of Latvia as a continental European legal system the case law is not legally binding, although courts shall follow the case law in certain conditions explicitly set out in the legal acts. Any other legal or natural persons, who enter into transactions, are not bound by case law and case law does not have the legal force of regulatory enactments.

However, the Consumer Rights Protection Centre within its competence of a consumer credit service supervision and the administrative court when considering a case with similar factual circumstances might rely on the above cited judgement and use it as an interpretative and reasoning tool claiming that assignment of claims arising out of consumer credit agreements might be done only to companies with a special permit for the provision of a consumer credit service. This may lead to administrative proceedings in relation to the Originator regarding the transfer of the Receivables to the Issuer, which may lead to initiation of administrative proceedings against the Originator bringing about certain disruption of operations of the Originator under this Securitisation.

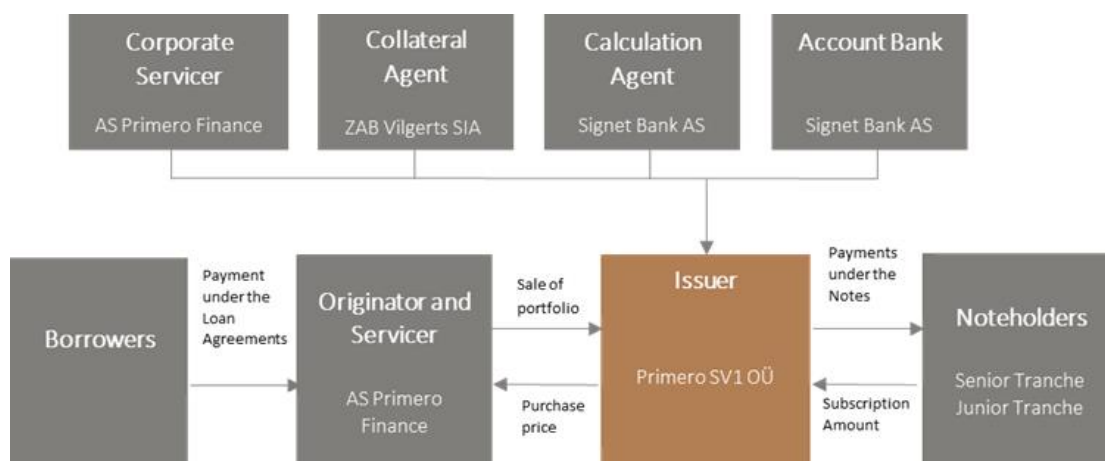
2.10. Tax risks

2.10.1. Unfavourable changes in the tax treatment of the Issuer

Estonian regulatory authorities may change existing laws or issue new laws or rulings which might alter or affect the tax position of the Issuer in respect of all or certain of its revenues and / or items of income also through the non-deduction of costs and expenses. This could potentially negatively influence the Issuer Available Funds and result in a Tax Call Event, triggering the Issuer's right of early redemption of the Notes subject to Section 5.5.4 (Optional Redemption for Regulatory Reasons).

3. DIAGRAMS ON TRANSACTION STRUCTURE

3.1. Diagrams



3.2. Transaction Parties

3.2.1. Issuer

Primero SV1 OÜ
Registration number: 16438773
Legal entity identifier: 98450090887PC2BEAD10
Legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5-246, 10117

3.2.2. The Originator, Servicer, and Corporate Servicer

AS Primero Finance
Registration number: 40203148375
Legal entity identifier: 984500470PCJ0512AC10
Legal address: Antonijas 3, Riga, LV-1010, Latvia

3.2.3. The Sponsor

Signet Bank AS
Registration number: 40003076407
Legal entity identifier: 2138006K6SWNFWF6PE87
Legal address: Antonijas 3, Riga, LV-1010, Latvia

3.2.4. The Security Agent

ZAB Vilgerts SIA
Registration number: 40203309933
Legal address: Skanstes 7 k-1, Riga, Latvia

3.2.5. The Calculation Agent and Reporting Entity

Signet Bank AS
Registration number: 40003076407
Legal entity identifier: 2138006K6SWNFWF6PE87
Legal address: Antonijas 3, Riga, LV-1010, Latvia

4. REPRESENTATIONS AND WARRANTIES, RESPONSIBILITY STATEMENT OF THE ISSUER

4.1. Party responsible for the Terms of the Notes Issue

Primero SV1 OÜ

Registration number: 16438773

LEI code: 98450090887PC2BEAD10

Legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5-246, 10117

4.2. Representations and Warranties

The Issuer shall, in accordance with these Terms of the Notes Issue, issue the Notes and perform the obligations arising out of the Notes to the Noteholders. The Issuer shall be liable to the Noteholders for due and complete fulfilment of its obligations under the Notes.

The Issuer represents and warrants to the Noteholders:

- (a) The Issuer is a duly registered limited liability company operating in compliance with the laws of the Republic of Estonia;
- (b) All the Issuer's obligations assumed under this issue of the Notes are valid and legally binding to the Issuer and performance of these obligations is not contrary to the Issuer's Articles of Association, laws or any agreement concluded by the Issuer;
- (c) The Issuer has all the rights and sufficient authorisations to issue the Notes, to provide the Security, to register the Security in the Commercial Pledge Register and fulfil obligations arising from issuing the Notes;
- (d) The Issuer has performed all the formalities required for issuing the Notes and fulfilling the obligations arising herefrom;
- (e) All information that is provided by the Issuer to the Noteholders is true, accurate, complete and correct as at the date of presenting the respective information and is not misleading in any respect;
- (f) The Issuer is solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings pending or initiated against the Issuer;
- (g) There are no legal or arbitration proceedings pending or initiated against the Issuer, which may have, or have had significant effect on the Issuer's financial position or profitability;
- (h) there are no criminal proceedings pending or initiated against the Issuer;
- (i) the Issuer shall not, and shall procure that none of its directors, officers, employees or agents, use the proceeds from the Notes: (i) to fund, finance or facilitate any activities or business of or with any person that is, or is owned or controlled by persons that are, or in any country, region or territory, that, at the time of such funding, financing or facilitating is, or whose government is, the target of Sanctions; or (ii) in any other manner that would result in a violation of Sanctions by any person (including, any person participating in the subscription of Notes, whether as lender, underwriter, advisor, investor, or otherwise).

The Issuer's representations and warranties above are valid on the date of these Terms of the Notes Issue and will remain valid until fulfilment of all obligations arising from the Notes.

4.3. Responsibility Statement

The Issuer, represented by a member of its Management Board, accepts responsibility for the information contained in these Terms of the Notes Issue and declares that the Issuer and its Management Board have taken all reasonable care to ensure that the information contained in these Terms of the Notes Issue is, to the best of the Issuer's knowledge, true, accurate and complete and not misleading in any respect.

On behalf of **Primero SV1 OÜ**
Reinis Zauers, member of the Management Board,
on the grounds of a power of attorney issued by the Management Board

This document is signed electronically with secure electronic signature containing a time stamp.

5. TERMS AND CONDITIONS ON THE NOTES

5.1. Information on the offered Notes

5.1.1. General Information

The Notes represent direct and legally binding debt obligations of the Issuer towards the Noteholders, constituted by the Terms of Issue. Each Noteholder is bound by the Terms of Issue without there being any further actions required to be taken or formalities to be complied with. The obligation of the Issuer to make payments under the Notes is limited to the Issuer Available Funds available to make such payments in accordance with the applicable Priority of Payments.

The rights and obligations arising from a Note shall be created upon the issue of a Note to the Noteholder. A Note shall be deemed issued as of making an entry regarding the Note (i) on the securities account of the Noteholder in the Nasdaq CSD or (ii) on the Custodian account (where the Notes are held on behalf of the Noteholder).

The rights and obligations arising from the Notes shall be terminated upon Redemption or Cancellation in accordance with the Terms of Issue.

The Notes are bearer and any person or entity that holds the Notes in its securities account or the Custodian account has the right to receive the Interest and principal payments.

The Notes are issued within the following two tranches: Senior Tranche with the total issue size of EUR 8,610,000 (eight million six hundred and ten thousand Euro), and Junior Tranche with the total issue size of EUR 850,000 (eight hundred and fifty thousand Euro).

The currency of the Notes is EUR (Euro).

The Initial Principal Amount of a Note is EUR 1,000 (one thousand Euro).

The Maturity Date of the Notes is 31 July 2029.

The expected Weighted Average Maturity of the Notes is 1.39 years for the Senior Tranche Notes, and 3.30 years for the Junior Tranche Notes, assuming the exercise of the Clean-Up Call upon the occurrence of Clean-Up Call Condition (for further details see Section 5.5.5 (Clean-up Call Condition))

The Notes issue ISIN for the Notes of the Senior Tranche is LV0000802601 and accordingly for the Notes of the Junior Tranche LV0000802593, both allocated by Nasdaq CSD.

5.1.2. Form and accounting of the Notes

The Notes are issued in dematerialized form and will be recorded in the Latvian SSS (i.e. securities settlement system governed by the legal acts of the Republic of Latvia) operated by Nasdaq CSD, which will provide the maintaining function for the Notes.

5.1.3. Rights and restrictions connected with the Notes issue

Any Noteholder has the right to receive Interest and principal in accordance with Section 5.4 (Interest Payments) and Section 5.5 (Redemption, Purchase and Cancellation), as well as exercise other rights fixed in the Terms of Issue and legal acts of the Republic of Latvia.

The Issuer has no rights to purchase the Notes on the primary or secondary market from the Noteholders.

5.1.4. Status of the Notes

The Notes will constitute direct and limited recourse obligations solely of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. Accordingly, the obligation of the Issuer to make payments under the Notes is limited to the Issuer Available Funds available to make such payments in accordance with the applicable priority of payments set out in Section 5.3 (Priority of Payments).

5.1.5. Ranking of the Notes

The Notes within each Tranche will rank *pari passu* and *pro - rata* without any preference or priority among themselves as to Interest and Principal.

Payments of principal on the Senior Tranche Notes will at all times rank in priority to payments of principal on the Junior Tranche Notes, in accordance with the applicable Priority of Payments.

Payments of Interest on the Senior Tranche Notes will at all times rank in priority to payments of Interest on the Junior Tranche Notes, in accordance with the applicable Priority of Payments.

5.1.6. Restrictions on free circulation of the Notes

The Notes are freely transferable securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the legal acts of the Republic of Latvia.

5.1.7. Including of the Notes on the market and trading regulations

The Issuer does not plan to request admission to trading of the Notes on First North and does not undertake to register the Notes prospectus with the FSA or list the Notes on any regulated market.

The Issuer has not signed any agreement with any person for Notes liquidity maintenance on the secondary market.

5.2. Security

5.2.1. Security

The Notes are secured with the following Security: a commercial pledge over the pool of receivables arising from the Aggregate Portfolio of the Issuer.

The Security shall be established according to the terms and conditions of the Security Agreement concluded between the Issuer as the pledgor and the Security Agent as the pledgee and these Terms of Issue.

The Security shall be established and registered with the Commercial Pledge Register within 90 (ninety) days after the Issue Date. The Security shall be registered as a first priority pledge.

The Security Agent holds the Security for the benefit of the Noteholders and is authorised to act with the Security in favour of all the Noteholders in accordance with the Terms of the Notes Issue and the Security Agent Agreement and its amendments (enclosed as Annex 1 to the Terms of the Notes Issue), and Security Agreement.

The Noteholders have no rights to transact with the Security directly or to exercise any rights arising from the Security Agreement, yet at the same time there are no restrictions set for the Noteholders' right to exercise any right that the law or the Terms of Issue provide and create and/or authorise an organisation or person that represents and acts on behalf of the Noteholders. In case of occurrence of an Insolvency Event in relation to the Issuer, each Noteholder has the right to represent its own interests in the creditors' meetings. The Noteholders will have equal rights for satisfaction of their claims with other creditors ranking in the same claims' group.

The Issuer shall be responsible for all the costs related to the registration of the Security and changes to the Security as specified herein.

5.2.2. Parallel Debt

For the purposes of validity and enforceability of the Security, the Issuer irrevocably and unconditionally undertakes an additional liability to pay to the Security Agent sums equal to and in the currency of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) under the Terms of Issue as and when the amount falls due for payment under the Terms of Issue.

It follows that the parallel debt will become due and payable at the same time and to the same extent as the obligations to the Noteholders under the Terms of Issue become due and payable.

The Security Agent shall have a right to demand performance by the Issuer of any of the liabilities under and pursuant to the Terms of Issue.

The aggregate amount due by the Issuer under the parallel debt will be decreased to the extent the Issuer has paid any amounts to the Noteholders under the Terms of Issue or in the amount the payments have been made by the Security Agent in case the Security Agent has enforced the Security, except to the extent such payment shall have been subsequently avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar legal acts of general application.

To the extent the Security Agent receives any amount in payment of the parallel debt, the Security Agent shall transfer such amount to the Noteholders in accordance with the Terms of Issue.

5.2.3. Establishment and enforcement of the Security

For the purpose of constituting security for the due and punctual payment, discharge and performance of the Issuer's payment obligations due to the Noteholders and the Security Agent under these Terms of Issue, and the Security Agent Agreement, the Security shall be established in favour of the Security Agent under the Security Agreement which, in legal terms, serve as a security for the Issuer's payment obligations under these Terms of Issue towards the Security Agent.

The Security Agent shall take all actions that the Security Agent as the holder of the Security may reasonably take for the purpose of enforcing the Security according to the procedure provided for in the Security Agreement and these Terms of Issue. For example, in order to enforce the Security, the Security Agent may (i) sell the Receivables to a receivables management company(ies) or (ii) take over the management of the Receivables by appointing a professional and experienced servicer to administer the Aggregate Portfolio and instructing the Debtors to make payments to such party.

The Security Agent may assume that no Trigger Event has occurred under these Terms of Issue unless the Security Agent has received

- (a) a notice from the Issuer, admitting occurrence of a Trigger Event;
- (b) a Note Acceleration Notice made by the Noteholders, as set out in Section 5.8.1 (Circumstances of Trigger Events). The Security Agent may rely on the respective Noteholders' notice requesting enforcement of the Security and may initiate enforcement process in accordance with the Terms of Issue, the Security Agreement, the Security Agent Agreement and the applicable legal acts.

In accordance with the Security Agent Agreement, the Issuer shall be responsible for remunerating any and all fees and expenses of the Security Agent which have been incurred in accordance with the Security Agent Agreement.

Subject to any limitations herein or in the Security Agent Agreement, the Security Agent may use third party service providers upon its discretion for fulfilling of its obligations.

The Security Agent shall act as it reasonably believes to be in the best interest of the Noteholders. The Security Agent shall not be liable for acting (or refraining from acting) as described in this Section. The Security Agent shall not be liable for the outcome of the enforcement of the Security, except for a breach of its obligations by gross negligence or wilful default.

The Security Agent shall have the right to terminate the performance of its duties of a Security Agent pursuant to the Security Agent Agreement.

5.2.4. Payment of amounts by the Security Agent

The proceeds from the enforcement of the Security shall be applied according to Section 5.3.2 (Post-Acceleration Priority of Payments).

The Security Agent shall not withhold or pay any taxes in connection with payments to be made by the Security Agent in relation to the Notes hereunder and shall have no obligation whatsoever to withhold taxes or any other duties payable on the Notes. The Noteholders shall be liable to declare and pay any taxes applicable to the amounts in relation to the Notes received from the Security Agent to the respective authorities.

In case the Security Agent is obligated, under applicable legal acts, to repay any amount received from the enforcement of the Security or in relation thereto and distributed to the Noteholders in accordance with the Security Agent Agreement, the Noteholders, who received the distribution, shall reimburse such amount to the Security Agent pro rata to the amount received by them from such distribution.

5.2.5. Obligations of the Security Agent

The Security Agent is required to perform its obligations in relation to the Security only if the Issuer establishes the Security for the benefit of the Security Agent in accordance with the Terms of Issue. The functions and obligations of the Security Agent are limited to those expressly specified in the Security Agent Agreement and these Terms of Issue and, notwithstanding any other provisions of these Terms of the Notes Issue, such functions are limited to the exercise of those rights which belong to the Security Agent in its capacity as the holder of the Security.

Upon the performance of its obligations and exercising its rights, the Security Agent shall act at its own discretion in the interests and on the account of the Noteholders without having any independent interests of its own and without any obligation to consider any interests or rights of the Issuer and without any right of the Issuer to give any instructions to the Security Agent. The Security Agent is under no circumstance liable for the performance of the obligations of the Issuer.

At the request of the Security Agent, the Noteholder shall provide the Security Agent with any information required by the latter for the purposes of identification of the Noteholder, proving ownership rights of the Notes and/or for the performance of other obligations arising from the Terms of the Notes Issue, applicable legal acts.

The Issuer and the Noteholders, each separately, authorize and express consent to the Security Agent in relation to exercise of the rights and obligations specifically given to it under the Terms of the Notes Issue, the Security Agent Agreement and the Security Agreement as well as under the applicable legal acts. The Noteholders authorize and permit the Security Agent to request and receive information

from Nasdaq CSD on the Noteholders, including their name, personal identification information or registration number, and contact information, for the purposes of the exercise of the rights and obligations entrusted to the Security Agent. The Noteholders consent to the processing of their personal data to the extent it is necessary for the exercise of the rights and obligations entrusted to the Security Agent.

5.3. Priority of Payments

5.3.1. Pre-Acceleration Priority of Payments

In Pre-Acceleration Priority of Payments, the Issuer Available Funds shall be applied on each Payment Date in making the following payments on the Notes in accordance with the following priority of payments, in each case only if and to the extent that the payments of higher priority have been paid in full:

- (a) first, to pay *pari passu* and *pro rata* according to the respective amounts, any Expenses: (i) accrued for the period immediately preceding Interest Period (if any have been accrued); (ii) any Expenses for the respective Interest Period;
- (b) second, to pay *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of and all other amounts due and payable to the Security Agent.
- (c) third, pay *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of and all other amounts payable to the Servicer, the Corporate Servicer, and the Calculation Agent and Issuer Account Bank.
- (d) fourth, to pay, *pari passu* and *pro rata*, Interest due and payable on the Senior Tranche Notes for the respective Interest Period (if Senior Tranche Notes have not been fully redeemed);
- (e) fifth, to pay *pari passu* and *pro rata* any interest accrued and not paid on the Junior Tranche Notes for the previously preceding Interest Periods;
- (f) sixth, to pay *pari passu* and *pro rata* any Interest due and payable on the Junior Tranche Notes for the respective Interest Period;
- (g) seventh, to pay all remaining Issuer Available Funds ("**Available Redemption Funds**") following the payments of items (a) to (f) to Senior Tranche Noteholders as principal payment, until these Notes have been fully redeemed;
- (h) eighth, only when all Senior Tranche Notes have been redeemed in full, to pay any remaining Issuer Available Funds following the payments of items (a) to (f) to Junior Tranche Noteholders as principal payment.

5.3.2. Post-Acceleration Priority of Payments

In Post-Acceleration Priority of Payments, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

- (a) first, to pay *pari passu* and *pro rata* according to the respective amounts, any Expenses: (i) accrued for the period immediately preceding Interest Period (if any have been accrued); (ii) any Expenses for the respective Interest Period;
- (b) second, to pay *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of and all other amounts due and payable to the Security Agent;
- (c) third, pay *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of and all other amounts payable to the Servicer, the Corporate Servicer, the Calculation Agent and Issuer Account Bank;
- (d) fourth, to pay, *pari passu* and *pro rata*, Interest due and payable on the Senior Tranche Notes;
- (e) fifth, to pay *pari passu* and *pro rata* Senior Tranche Notes Redemption Amount until the Senior Tranche Notes are redeemed in full;
- (f) sixth, to pay *pari passu* and *pro rata* Interest due and payable on the Junior Tranche Notes;
- (g) seventh, to pay *pari passu* and *pro rata* Junior Tranche Notes Redemption Amount;
- (h) eighth, to pay *pari passu* and *pro rata* according to the respective amounts thereof, any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid under the other items of this Post-Acceleration Priority of Payments.

5.3.3. Procedure of the payments

The Issuer will make payments on the Notes in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. Nasdaq CSD regulations applicable on the date of these Terms of Issue are Nasdaq CSD Rulebook and Corporate Action Service Description.

The Noteholders eligible to receive the payments in relation to the Notes will be fixed 5 (five) Business Days prior to the Payment Date, (i.e. the Calculation Date).

If the Payment Date is not a Business Day, the Issuer will make the relevant payment on the first Business Day after the holiday or festive day.

5.4. Interest Payments

5.4.1. Interest Rates

The Interest Rate for the Senior Tranche Notes is 4.50% (four point fifty per cent) per annum and this Interest Rate is fixed until the Maturity Date.

The Interest rate for the Junior Tranche Note is 13.50% (thirteen point fifty per cent) per annum, and this Interest Rate is fixed until the Maturity Date.

5.4.2. *Interest Periods and Payment Dates*

Interest payments are made quarterly on every Payment Date. The Interest Payment Dates are 31 January, 30 April, 31 July, 31 October. The first Interest Payment Date will be 31 October 2022.

On the Calculation Date the list of Noteholders, which will be eligible to the Interest payments, will be fixed by the Calculation Agent. Interest payment shall be made to the Noteholders, as per the list of Noteholders, on each Payment Date for the preceding Interest Period in line with the Priority of Payments as set out in Section 5.3 (Priority of Payments).

5.4.3. *Determination of Interest Amounts*

In relation to each Interest Period the Calculation Agent on the Calculation Date shall determine the Interest Amount due and payable as Interest on each Tranche of the Notes.

Promptly after determination of the Interest Amounts the Calculation Agent shall notify the calculation results to the Issuer.

Determination of the Interest Amount, including any calculations and decisions thereto, by the Calculation Agent shall be binding respectively on the Issuer, the Security Agent and all Noteholders. In the absence of gross negligence or wilful default the Calculation Agent and the Issuer shall not be liable in connection with the exercise or non-exercise of their liabilities in relation to determination of the Interest Amounts.

5.4.4. *Calculation of Interest Amounts*

Quarterly Interest payment on 31 October 2022 is calculated according to the following formula:

$INT_1 = F_0 * I / 360 * 120$ or $INT_1\% = I / 360 * 120$, where:

INT_1 – the amount of the Interest payment in EUR per Note on 31 October 2022;

F_0 – Initial Principal Amount of one Note, which is EUR 1,000.00 (one thousand Euro);

I – annual Interest rate (%).

Quarterly Interest payments, starting from 31 January 2023, are calculated according to the following formula:

$INT_t = F_{t-1} * I / 4$ or $INT_t\% = I / 4$, where

INT_t – the amount of the Interest payment in EUR per Note for the relevant Interest Period;

F_{t-1} – the Principal Amount Outstanding of one Note at the beginning of the relevant Interest Period;

I – annual Interest rate (%).

5.4.5. *Accrual of Interest*

Each Note will bear Interest on its Principal Amount Outstanding for the relevant Interest Period from and including the Issue Date, including, i.e. on 1 July 2022.

Interest in respect of the Notes will accrue on a daily basis.

The accrued Interest is calculated presuming there are 360 (three hundred and sixty) days in one year (day count convention – “**European 30/360**”). Accrued interest between the Payment Dates shall be calculated as follows:

$AI = F_{t-1} * I / 360 * D$, where

AI – accrued interest of one Note;

F_{t-1} – Principal Amount Outstanding of one Note at the beginning of the relevant Interest Period, i.e., the Initial Principal Amount at the time of the issue of a Note, as may be reduced by the Redemption or repurchase amounts paid during the previous periods in accordance with the Terms of the Notes Issue;

I – annual Interest rate (%);

D – the amount of days from the beginning of the Interest accrual period according to European 30/360 day count method.

5.4.6. *Termination of Accrual of Interest*

Interest will cease to accrue on each Note (or portion of the Principal Amount Outstanding) due from (and including) the Maturity Date or from (and including) any earlier Redemption (optional or mandatory).

5.4.7. *Deferral of Interest Payments*

If, on any Payment Date in relation to Junior Tranche Notes (other than the Senior Tranche Notes), the Issuer has insufficient Issuer Available Funds to make payment in full of all amounts of the Interest Amount payable on the Junior Tranche Notes (after having made payments on the Senior Tranche Notes in accordance with Pre-Acceleration Priority of Payments), then the Issuer is entitled to pay only a pro rata Interest with respect to the Junior Tranche Notes and be entitled to defer payment of the unpaid amount until the following Payment Date on which sufficient funds are available to fund the payment of such deferred interest to the extent of such available funds.

Only failure to pay Interest on the Senior Tranche Notes outstanding when the same becomes due and payable shall constitute an Issuer Trigger Event under the Notes.

5.4.8. *Service of a Note Acceleration Notice*

Following the service of a Note Acceleration Notice, each Note will bear interest as set out in Section 5.4 (Interest Payments), provided that such interest will be payable in accordance with Section 5.3.2 (Post-Acceleration Priority of Payments) and 5.4 (Interest Payments).

5.4.9. *Unpaid Interest*

Unpaid interest on the Notes shall accrue no interest.

5.5. **Redemption, Purchase and Cancellation**

5.5.1. *Final Redemption*

The Issuer shall redeem the Notes at their Principal Amount Outstanding (plus any accrued but unpaid Interest thereon), in accordance with the Post-Acceleration Priority of Payments on the Maturity Date.

The list of the Noteholders eligible to receive the Principal Amount Outstanding will be fixed at the end of the previous Business Day before Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Maturity Date, except as provided below in Sections 5.5.3 (Optional Redemption for Taxation), 5.5.4 (Optional Redemption for Regulatory Reasons), 5.5.5 (Clean – Up Call Option) and 5.5.6 (Early Redemption in Case of Trigger Event).

5.5.2. *Mandatory Redemption*

The Issuer will be obliged to apply any Available Redemption Funds on each Payment Date to redeem the Notes fully or partially in accordance with the Pre-Acceleration Priority of Payments up to the relevant Principal Amount Outstanding ("**Mandatory Redemption**").

The list of the Noteholders eligible to receive the principal payments will be fixed on the Calculation Date, which is 5 (five) Business Days prior to the Payment Date.

The Junior Tranche Notes are not subject to the Mandatory Redemption unless the Senior Tranche Notes have been redeemed in full.

5.5.3. *Optional Redemption for Taxation Reasons*

Provided that no Note Acceleration Notice has been served to the Issuer, if, following a change of applicable legal acts or interpretation of such legal acts after the Issue Date, the Issuer is, on the occasion of any future payment due on the Notes, required to deduct, withhold or account for any present or future taxes or duties of whatever nature imposed by the governmental authorities, so that:

- a) the Issuer is unable to make payment of the full amount due on the Notes or the cost to the Issuer of making payments on the Notes or of complying with its obligations under or in connection with the Notes would be materially increased; or
- b) the operating or administrative expenses of the Issuer would be materially increased ("**Tax Call Event**");

which is respectively confirmed by an opinion of a reputable independent third party expert issued to the Issuer, the Issuer may on any Payment Date following the occurrence of a Tax Call Event, redeem the Senior Tranche Notes (in whole or in part) and Junior Tranche Notes (in whole or in part) at the discretion of the Issuer, at their Principal Amount Outstanding (plus any accrued but unpaid Interest thereon).

The Issuer may obtain the funds necessary to finance such early redemption of the Notes from the sale of the Receivables to the Originator. The Issuer shall notify the Originator upon the occurrence of a Tax Call Event in writing as soon as an opinion by an independent third party has been received by the Issuer.

Under the Receivables Purchase Agreement, the Issuer has granted to the Originator an option (but not the obligation) to repurchase the Receivables upon occurrence of a Tax Call Event for the Repurchase Price, as defined in the Receivables Purchase Agreement, and subject to any other terms and conditions for such repurchase set out in the Receivables Purchase Agreement.

If the option is exercised by the Originator, the Issuer has the obligation to sell and assign the Receivables to the Originator or any third party appointed by the Originator at its sole discretion on the relevant Payment Date. The Issuer shall apply the proceeds of such sale to redeem the Notes: (i) in case the Notes are redeemed in whole, in accordance with the Post-Acceleration Priority of Payments; (ii) in case the Notes are redeemed in part, in accordance with Pre-Acceleration Priority of Payments.

Prior to the optional Redemption for taxation reasons, the Issuer shall give a prior irrevocable notice to the Noteholders (with copy to the Security Agent, Servicer, and Calculation Agent) not more than 60 (sixty) and not less than 20 (twenty) calendar days prior to such Payment Date, explaining the circumstances permitting to carry out such Redemption.

The Issuer and the Originator have undertaken to enter into any other agreement, deed and document and take any steps as may be necessary to implement such an Redemption.

5.5.4. *Optional Redemption for Regulatory Reasons*

Provided that no Note Acceleration Notice has been served to the Issuer, if there is a change in any law, regulation, rule, policy or guideline of any relevant competent international, European or national body, or the application of official interpretation of, or view expressed by any such competent body with respect to any such law, regulation, rule, policy or guideline which becomes effective on or after the Issue Date, which has the effect of materially adversely affecting the rate of return on capital of the Originator or the Sponsor or materially increasing the cost or materially reducing the benefit to the Originator or the Sponsor of the Securitisation ("**Regulatory Change Event**"), also confirmed by a legal opinion of a reputable independent third party issued to the Issuer,

The Issuer may on any Payment Date following the occurrence of a Regulatory Change Event redeem the Senior Tranche Notes (in whole or in part) and Junior Tranche Notes (in whole or in part) at their Principal Amount Outstanding (plus any accrued but unpaid Interest thereon).

The Issuer may obtain the funds necessary to finance the Redemption of the Notes from the sale of the Receivables to the Originator. The Issuer shall notify the Originator upon the occurrence of a Regulatory Change Event in writing as soon an opinion by an independent third party has been received by the Issuer.

Under the Receivables Purchase Agreement, the Issuer has granted to the Originator an option (but not an obligation) to repurchase the Receivables upon occurrence of the Regulatory Change Event for the Repurchase Price, in accordance with the terms and conditions for such repurchase set out in the Receivables Purchase Agreement.

If the option is exercised by the Originator, the Issuer has the obligation to sell and assign the Receivables to the Originator or any third party appointed by the Originator at its sole discretion on the relevant Payment Date. The Issuer shall apply the proceeds of such sale to redeem the Notes: (i) in case the Notes are redeemed in whole, in accordance with the Post-Acceleration Priority of Payments; or (ii) in case the Notes are redeemed in part, in accordance with Pre-Acceleration Priority of Payments.

Prior to the exercise of the optional Redemption for regulatory reasons, the Issuer shall give a prior irrevocable notice to the Noteholders (with copy to the Security Agent, Servicer, and Calculation Agent) not more than 60 (sixty) and not less than 20 (twenty) calendar days prior to such Payment Date, explaining the circumstances permitting to carry out such Redemption.

The Issuer and the Originator have undertaken to enter into any other agreement, deed and document and take any steps as may be necessary to implement such an Redemption.

5.5.5. *Clean – Up Call Option*

Provided no Note Acceleration Notice has been served to the Issuer, on any Payment Date, following the occurrence of a Clean-up Call Condition, the Issuer may redeem the Senior Tranche Notes (in whole) and Junior Tranche Notes (in whole) at their Principal Amount Outstanding (plus any accrued but unpaid Interest thereon) in accordance with the Post-Acceleration Priority of Payments.

The Issuer may obtain the funds necessary to finance such Redemption of the Notes from the sale of the Receivables to the Originator.

Under the Receivables Purchase Agreement the Issuer has granted to the Originator the option (but not the obligation) to repurchase the Receivables following the occurrence of the Clean-Up Call Condition for the Repurchase Price and subject to any other terms and conditions set forth in the Receivables Purchase Agreement.

If the option is exercised by the Originator, the Issuer has the obligation to sell and assign all (but not only some) of the Receivables to the Originator or any third party appointed by the Originator at its sole discretion on the relevant Payment Date. The Issuer shall apply the proceeds of such sale to redeem the Notes in accordance with the Post-Acceleration Priority of Payments.

Prior to the exercise of the Clean-Up Call Option, the Issuer shall give an irrevocable prior notice to the Noteholders (with copy to the Security Agent, Servicer, and Calculation Agent) not more than 60 (sixty) and not less than 20 (twenty) calendar days prior to such Payment Date.

The Issuer and the Originator have undertaken to enter into any other agreement, deed and document and take any steps as may be necessary to implement such Clean – Up Call.

5.5.6. Early Redemption in Case of Trigger Event

The Noteholders have the right to request early redemption of Notes in case of occurrence of the Trigger Events in accordance with Section 5.8 (Trigger Events).

5.5.7. Notice of Redemption

Any notice on redemption shall be irrevocable, and the Issuer shall be bound to redeem the Notes.

5.5.8. Cancellation

The Notes will be cancelled on the Cancellation Date, being:

- (a) the earlier of the date on which the Notes have been redeemed pursuant to Section 5.5.2 (5.5.2 Mandatory Redemption), Section 5.5.3 (Optional Redemption for Taxation), Section 5.5.4 (Optional Redemption for Regulatory Reasons), Section 5.5.5 (Clean – Up Call Option); Section 5.5.6 (Early Redemption in Case of Trigger Event) or the Maturity Date according to Section 5.5.1 (Final Redemption); or
- (b) if the Notes cannot be redeemed in full on Maturity Date as a result of Issuer having insufficient Issuer Available funds, the later of: (i) the Payment Date immediately following the date on which all the Receivables will have been paid in full; and (ii) the Payment Date immediately following the date on which the Servicer, gives notice to the Issuer in writing that there is no reasonable likelihood of there being any further amounts to be received in respect of the Portfolio or the Security (whether arising from an enforcement of the Security or otherwise) being available to the Issuer.

On the Cancellation Date any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled. Upon cancellation the Notes may not be resold or re-issued.

5.6. Determination and Calculation of the amounts by the Calculation Agent

5.6.1. Determination and Calculation of the Principal Payment Amount and the Principal Amount Outstanding

On or prior to each Calculation Date, the Calculation Agent shall determine the following amounts and promptly notify the Issuer:

- (a) the Issuer Available Funds;
- (b) the percentage of the Principal Amount redeemable on each Class of the Notes on the next following Payment Date;
- (c) the Senior Tranche Notes Redemption Amount, and the Junior Tranche Notes Redemption Amount (if any);
- (d) the Principal Payment Amount (if any) due on each Note of the respective Class on the next following Payment Date;
- (e) the Principal Amount Outstanding on each Note of each Class of the Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each such Note);
- (f) Expected Remaining Cash Flows from the Receivables.

All Available Redemption Funds determined according to the Priority of Payments set out in Section 5.3 (Priority of Payments) shall be directed towards redemption of the Notes.

- (a) If Available Redemption Funds on Payment Date are less than the Aggregate Principal Amount Outstanding on Senior Tranche Notes, all Available Redemption Funds should be directed towards redemption of the Senior Tranche Notes;
- (b) If Available Redemption Funds on a Payment Date exceed the Aggregate Principal Amount Outstanding on the Senior Tranche Notes, first the Available Redemption Funds should be directed towards redemption of the Senior Tranche Notes until redeemed in full; second, the remaining Available Redemption Funds should be directed towards redemption of the Junior Tranche Notes;
- (c) If no Senior Tranche Notes are Outstanding on a Payment Date, all Available Redemption Funds should be directed towards redemption of the Junior Tranche Notes.

The Principal Amount redeemable in respect of each Note of each Class of the Notes ("**Principal Payment Amount**") on any Payment Date shall be pro rata share of the principal payment due in respect of such Class of the Notes in accordance with the relevant Priority of Payments on such date.

The proportion of the Principal Amount redeemable on any Payment Date of a respective Class of Notes can be calculated as follows:

$\%P_t = PP_t / F_{t-1}$, where

$\%P_t$ – percentage of the Principal Amount to be redeemed on the respective Payment Date;

PP_t – Available Redemption Funds for redemption of the respective Class of Notes on the respective Payment Date determined according to the Priority of Payments set out in Section 5.3 (Priority of Payments);

F_{t-1} – Aggregate Principal Amount Outstanding of respective Class of the Notes at the end of each Collection Period preceding the Payment Date;

t – respective Payment Date.

The figures shall be rounded down to the nearest cent, provided that no such Principal Payment Amount may exceed that Principal Amount Outstanding of the relevant Note.

The determination of the Issuer Available Funds and Principal Payment Amount, including any calculations and decisions thereto, by the Calculation Agent or the Issuer shall be binding on the Issuer, the Security Agent and all Noteholders. In the absence of gross negligence or wilful default the Calculation Agent and the Issuer shall not be liable in connection with the exercise or non-exercise of their liabilities in relation to determination and calculation of the amounts foreseen in this Section.

5.6.2. *Determination and Calculation of Expected Remaining Cash Flows from the Receivables*

The Calculation Agent shall determine the Expected Remaining Cash Flows from the Receivables on every Calculation Date.

If the Calculation Agent establishes that the Expected Remaining Cash Flow from the Receivables cannot cover the Outstanding Principal Amount on the Senior Tranche Notes, the Calculation Agent shall inform the Issuer and include the information in the quarterly report that shall be made available in accordance with Section 6.2.1 (Quarterly reports).

5.7. **Covenants of the Issuer**

For so long as any of the Notes remain outstanding, the Issuer shall, except (i) to the extent permitted by the Transaction Documents or (ii) with the prior written consent of the Majority Noteholders, observe the following covenants.

5.7.1. *General undertaking*

The Issuer shall comply with and perform all its obligations under the Transaction Documents and use all reasonable efforts to procure that each party to any of the Transaction Documents complies with and performs all their respective obligations thereunder.

5.7.2. *Negative pledge*

The Issuer shall not:

- a) create or permit to subsist any pledge, lien or any encumbrance or other security interest whatsoever over the Portfolio or Receivables or any part thereof, except for the Security established pursuant to the Transaction Documents; or
- b) sell, lend, use, lease, assign, donate or otherwise transfer or dispose of all or part of the Portfolio or Receivables or any part thereof; or
- c) apply Further Securitisation over the Portfolio or Receivables or any part thereof, except in relation to other assets of the Issuer, which fall outside the scope of the Portfolio or Receivables or any part thereof as described in Section 5.7.6 (Further Securitisation Transactions).

5.7.3. *Restrictions on activities*

The Issuer will not, unless otherwise provided by these Terms of Issue or the Transaction Documents, carry on any business other than performing its functions and duties and discharging its obligations and liabilities set out in the Transaction Documents and these Terms of Issue and with respect to that business will not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or do anything except:

- a) finance, acquire, hold and dispose of the Receivables;
- b) issue, amend, redeem the Notes;

- c) enter into, amend, consent to any amendment of any of the Notes, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for, the Notes;
- d) own and exercise its rights with respect to the Security and its interests in the Security and perform its obligations with respect to the Security and the Transaction Documents;
- e) enter into, amend, consent to any amendment of Immaterial Changes to the Terms of Issue and other Transaction Documents;
- f) preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under the Notes, the Transaction Documents and agreements relating or incidental to the issue and constitution of, and the granting of security for the Notes;
- g) use any of its property or assets in the manner provided in or contemplated by the Transaction Documents; and
- h) perform any other act incidental to or necessary in connection with the above.

So long as any of the Notes remains outstanding, the Issuer will not without the prior consent of the Majority Noteholders, have any employees or own any real property.

5.7.4. *Restrictions on financial transactions*

The Issuer shall not:

- a) pay any dividend or make any other distribution of returns to its shareholders or reduce its share capital;
- b) incur any additional indebtedness besides the Notes, save for the indebtedness incurred in respect of Further Securitisations, or give any guarantee, indemnity, or security in respect to any indebtedness or in respect of any other obligation of any person or entity or become liable for debts of any other person or entity.

The Issuer shall maintain separate accounting from that of the Originator.

5.7.5. *Restrictions on corporate activities*

The Issuer shall not:

- a) consolidate or merge or otherwise reorganise with any other person or entity or transfer its properties or assets, substantially as an undertaking to any other person or entity;
- b) have any subsidiaries or shareholdings in other legal entities;
- c) amend its articles of association or any other constitutional document;
- d) make changes to the share capital and its composition.

5.7.6. *Further Securitisation transactions*

None of the covenants under this Section 5.7 shall prohibit the Issuer from entering into other securitisation transactions and issuing of notes and performing incidental or necessary transactions or measures to such other securitisation transactions, provided such Further Securitisation transactions do not violate the ban of resecuritisation provided in article 8 of the Securitisation Regulation.

The Issuer undertakes to ensure that the rights of the Noteholders under the Terms of Issue and the Transaction Documents as well as the applicable legal acts, will not be adversely affected by Further Securitisations.

5.8. **Trigger Events**

5.8.1. *Circumstances of Trigger Events*

If any of the following events occurs:

- (a) the Issuer admits occurrence of a Trigger Event itself by providing a respective notice to the Noteholders with a copy to the Security Agent and Calculation Agent, unless already notified in the Quarterly Reports as provided in Section 6.2.1, or Extraordinary Reports as provided in Section 6.2.2, or
- (b) the Noteholders, directly or through an authorised person of the Noteholders (the “Agent”), based on a decision of the Noteholders adopted by at least 25% of the Aggregate Principal Amount Outstanding of the Most Senior Tranche of Notes, may provide a Note Acceleration Notice to the Issuer with a copy to the Calculation Agent and the Security Agent, setting out occurrence of a Trigger Event,

in either case meaning that an immediate duty to redeem the Notes from the Noteholders has occurred, at any time after the Trigger Event has occurred (and as long as the Trigger Event persists), determining that the Issuer has to redeem (or procure the redemption of) the Aggregate Principal Amount Outstanding together with accrued and unpaid Interest, and the Issuer Available Funds shall be applied in accordance with the Post – Acceleration Priority of Payments in accordance with Section 5.3.2, within 10 (ten) Business Days after the date of the notice under (a) or (b) above without any further action or formality.

If a Trigger Event has occurred and the Issuer is unable to redeem the Notes in full in accordance with this Section, the Issuer is obliged to send the Noteholders, the Security Agent, and the Calculation Agent a written notification within 20 (twenty) Business Days after the date of the notice under (a) or (b) above.

Each of the events or circumstances set out in below shall constitute a Trigger Event:

i) Non-payment

The Issuer fails to pay out any amount of Interest payable by it under the Terms of Issue on the Most Senior Tranche of the Notes when such amount is due for payment or the Issuer fails to make full repayment of the principal payment due in respect of the Notes on the Maturity Date, unless its failure to pay is caused by administrative or technical error in payment systems or Nasdaq CSD and payment is made within 5 (five) Business Days following the original due date. A Noteholder shall have the right to submit claims regarding failure to pay any amount due not earlier than 5 (five) Business Days following the date of the relevant payment.

For avoidance of doubt a failure to pay any Interest or Principal Payment Amount by the Issuer in respect of the Notes of the Junior Tranche shall not constitute a Trigger Event.

ii) Insufficiency of Portfolio Cash Flows

On three consecutive Calculation Dates, the Calculation Agent determines that the Expected Remaining Cash Flows from the Receivables cannot not fully cover the Outstanding Principal Amount on the Most Senior Tranche of the Notes.

iii) Insolvency

Insolvency Event of the Issuer has occurred.

iv) Failure to perform an obligation under the Transaction Documents

The Issuer fails to perform any of its obligations under these Terms of Issue or the Transaction Documents to which it is a party and such failure has not been remedied and continues for a period of 30 (thirty) calendar days.

v) Failure to comply with the Covenants

The Issuer fails to comply with any of the Covenants as provided in Section 5.7 of these Terms of Issue and such non-compliance has not been remedied within 60 (sixty) calendar days.

vi) Failure to provide valid and enforceable Security

The Security to be created pursuant to these Terms of Issue or any Transaction Document ceases to be in full force and effect, becomes unenforceable or is declared null and void by court.

vii) Failure to appoint a Substitute Servicer

The Issuer fails to appoint a Substitute Servicer for the Receivables within 30 (thirty) calendar days as provided in 11.4.

viii) Failure to comply with reporting requirements prescribed by the applicable legal acts

The Reporting Entity fails to provide quarterly reports as provided in Section 6.2.1 (Quarterly reports) or extraordinary reports as provided in Section 6.2.2 (Extraordinary reports) to the Noteholders or the regulatory authorities; or fails to comply with other material reporting requirements as required by legal acts.

ix) Failure to comply with other material reporting requirements of the Issuer

The Issuer fails to provide regulatory authorities with any report or information required by applicable legal acts and such failure may significantly affect the Issuer's ability to fulfil its obligations arising out of or in relation to the Notes.

5.9. Security enforced

Following the occurrence of a Trigger Event and failure of the Issuer to redeem (or procure the redemption of) the Aggregate Principal Amount Outstanding of the Notes along with the accrued Interest within 10 (ten) Business Days after the date of the notice under (a) or (b) pursuant to Section 5.8.1, the Security will become enforceable and the Security Agent may take action to enforce the Security.

5.9.1. Rights in relation to enforcement

The Security Agent may subject to Section 5.9. (Security enforced) and based on a decision of the Majority Noteholders:

- i) enforce the Security, to the extent specified by the legal acts of the Republic of Latvia and to choose the method of enforcement against the Security or any part of it and other conditions and procedure for enforcement, including to

- realise the Security, in an out-of-court private sale or auction in accordance with the provisions of the Commercial Pledge Law; and to exercise all other rights, remedies and powers of enforcement as are conferred by applicable law and the Commercial Pledge Agreement;
- ii) take such proceedings and/or other steps as it may deem appropriate against or with respect to the Issuer or any other person to enforce its obligations under the transaction documents, including these Terms of Issue, and/or take any other proceedings (including lodging an appeal in any proceedings) with respect to or concerning the Issuer; and/or
- iii) exercise any of its rights under, or in connection with any Transaction Document.

Only the Security Agent may pursue the remedies available under the Security, but at all times subject to the decision of the Majority Noteholders. No Noteholder is entitled to proceed against the Issuer. Neither the Security Agent nor any Noteholder may take any action or has any rights against the Issuer to recover any amount still unpaid once the Security is enforced and the proceeds thereof distributed in accordance with Section 5.3.2 (Post-Acceleration Priority of Payments), and any such liability will be extinguished.

5.9.2. *Priority of Payments*

The proceeds from enforcement of the Security are distributed on the Notes pursuant to the Post-Acceleration Priority of Payments as described above in Section 5.3.2.

5.9.3. *Shortfall after enforcement of the Security*

If the proceeds of the Security being enforced are not sufficient, after settlement of all other claims ranking in priority to the Notes, to cover all payments due on the Notes, the obligations of the Issuer under the Notes will be limited to such proceeds, and no other assets of the Issuer will be available for any further payments on the Notes. The right to receive any further payments of any such shortfall remaining after enforcement of the Security and application of the proceeds of the Security will be extinguished.

5.10. **Decision making by the Noteholders**

5.10.1. *Changes to the Terms of Issue and other Transaction Documents or waiver a breach of the Terms of Issue*

The Issuer has the right to ask for the consent of the Noteholders to amend the terms and conditions of the Notes included in the Terms of Issue, apply material changes to any other Transaction Documents, or waive a breach of the Terms of Issue (apply for the waiver).

However, the Issuer shall have a right to introduce Immaterial Changes to the Terms of Issue and other Transaction Documents without the consent of the Noteholders provided that such amendments are not prejudicial to the interests of the Noteholders.

The Security Agent may ask for instructions from the Noteholders in respect to the Security in the same manner as the Issuer may apply for the waiver or request decision of the Noteholders hereunder.

Only Most Senior Tranche Noteholders are eligible for voting.

The amendment of the Terms of Issue may include the amendment of any terms and conditions, which is not restricted by such characteristics of the Notes as currency, Interest rate, Interest calculation method, Interest and principal payments and other conditions, unless they contradict legal acts in force in Latvia.

The Issuer can apply for the waiver or request amendment to the Terms of Issue itself or through the intermediary of an authorised person (the "Agent"). To request the waiver, the Issuer or the Agent shall notify the Noteholders by posting the information on the Issuer's or the Sponsor's webpage, specifying at least the following information:

- i) a description of the amendment or waiver applied for;
- ii) a justification of the necessity of the amendment or waiver applied for;
- iii) the date when the list of Noteholders eligible to grant the vote will be fixed;
- iv) the term within which a Noteholder can support or reject the offered amendment or waiver;
- v) instructions concerning notification about the support or rejection of the waiver or amendment and the procedure for filling in the voting questionnaire;
- vi) notification that a Noteholder willing to grant the waiver or confirm the amendment offered by the Issuer shall notify the Issuer and the Agent within the term specified in the application, which is certified by a postal seal, signature on receipt or notification (letter or email) from the Noteholder's Custodian. If the Noteholder does not notify the Issuer or the Agent about the approval to grant waiver or agree to the amendment within the term specified in the application, the Noteholder shall be deemed as not having granted the waiver or having agreed to the amendment;
- vii) contact details of the Issuer and/ or the Agent to be used for notifications (telephone number for inquiries, email or address for sending filled in and signed questionnaires, list of representative offices and/ or branches of the Issuer and/ or the Agent where the Noteholders can submit the questionnaires in person);
- viii) other information including a fee to the Noteholders for making a decision by the Noteholders.

The list of Noteholders shall be inquired from the Nasdaq CSD as of the date falling to the 5th (fifth) Business Day after the waiver or amendment has been sent to the Noteholders directly and/or after the relevant announcement of the waiver or amendment has been published via the Issuer's or the Sponsor's webpage.

The term allowed to the Noteholders for deciding upon refusal to grant the waiver or approve the amendments to the Issuer may not be shorter than 14 (fourteen) calendar days.

Noteholders shall submit signed questionnaires with their decision to the Issuer or the Agent by a deadline set in the application of the waiver or amendment. The waiver is deemed to be granted or the amendment is deemed to be adopted, if the Majority Shareholders have voted for granting the waiver or adopting the amendment.

The Issuer or the Agent shall count the received votes and notify the Noteholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the questionnaires by publishing the relevant announcement via the Issuer's or the Sponsor's website.

If the accepted changes refer to specifications of the Notes and / or Interest calculation method, as well as procedure of Interest payments and/ or repayment of the principal, the Issuer shall inform Nasdaq CSD on the mentioned changes according to the regulations determined in the Nasdaq CSD rules.

If the Issuer offers Noteholders a fee for approving the waiver or amendment and the waiver is granted or the amendments are approved, the Issuer transfers the fee amount to the account stated by the Noteholder in the questionnaire not later than 10 (ten) Business Days after the waiver or the amendment comes into force.

5.11. Representation of the Noteholders

Security Agent holds the Security on behalf of the new and the existing Noteholders and is authorized to act with the Security in accordance with the Terms of Issue, the Transaction Documents, in particular the Security Agent Agreement. To the extent that the Security Agent acts in accordance with directions of the Most Senior Tranche Noteholders, it will have no obligation to take the interests of any other party into account or follow the directions of any other party.

Noteholders have no rights to act with the Security directly, yet at the same time there are no restrictions set for the Noteholders' right to create and/or authorize an organization/person that would represent the legal interests of all Noteholders or a part thereof.

In case of the Insolvency Event in relation to the Issuer insolvency of the Issuer, every Noteholder has the right to represent their own interests in creditors' meetings. The Noteholders will have equal rights for satisfaction of their claims with other creditors in the same claims' group.

5.12. Governing law

The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by, and will be construed in accordance with, the legal acts of the Republic of Latvia.

The courts of the Republic of Latvia will have jurisdiction to settle any disputes that may arise out of or in connection with the Notes, including relating to the existence, validity or termination of the Notes.

6. RISK RETENTION AND REPORTING REQUIREMENTS

6.1. Retention statement

The Sponsor and the Issuer have agreed that, from the Issue Date, the Sponsor will acquire and retain, on an on-going basis, a material net economic interest of not less than 5% of each the Senior Tranche and Junior Tranche in accordance with article 6(1) of the Securitisation Regulation (as in effect as at the Issue Date). As at the Issue Date, such retention will consist of an interest in 5 % of the Initial Principal Amount of each Class of the Notes in accordance with article 6(3)(a) of the Securitisation Regulation.

The Sponsor undertakes to the Issuer, that it will:

- (a) not change the manner in which the net economic interest set out above is held until the Notes are redeemed in full or cancelled, save as permitted by the Securitisation Regulation;
- (b) continue to fulfil the obligation to maintain the material net economic interest in the Notes in accordance with article 6(3)(a) of the Securitisation Regulation;
- (c) give relevant information on the risk retained to be disclosed to the Issuer and the Calculation Agent (if the Sponsor ceases to carry out duties of the Calculation Agent) in accordance with article 7(1)(a) of the Securitisation Regulation and applicable technical standards (on the Issue Date Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE).

To fulfil the retention requirements the Sponsor shall subscribe to at least 5% of the Senior Tranche or Junior Tranche and the Issuer shall carry out all reasonably necessary action to ensure that the Sponsor allocates Notes totalling to at least 5% of Senior Tranche or Junior Tranche of the issue. For avoidance of doubt Section 16.1.5 (Oversubscription and undersubscription) should not limit the Sponsor to fulfil its retention obligation.

6.2. Reporting requirements

Up until the Maturity Date, the Reporting Entity shall make all the information required by the Terms of Issue and legal acts available to Noteholders, regulatory authorities, and prospective investors. The Reporting Entity shall publish the information on its website: <https://www.signetbank.com/en/where-to-invest/> and submit to regulatory authorities in a form requested by each regulatory authority.

As of the date of the Terms of Issue, the Calculation Agent (Signet Bank) acts as the Reporting Entity.

6.2.1. Quarterly reports

The Calculation Agent shall provide quarterly reports for each Collection Period, which is a calendar quarter, required in accordance with points (a) and (e) of the first subparagraph of Article 7 of the Securitisation Regulation and applicable technical standards.

For each Collection Period, which is a calendar quarter, the Noteholders should receive at least the following information:

- (a) information on the underlying exposures on a quarterly basis;
- (b) all materially relevant data on the credit quality and performance of underlying exposures;
- (c) information on the events which trigger changes in the priority of payments or the replacement of any counterparties, and data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;
- (d) information about the risk retained, including information on which of the modalities regarding risk retention have been applied,

The quarterly reports shall be made available simultaneously each quarter at the latest one month after the Payment Date.

6.2.2. Extraordinary reports

In accordance with point (g) of the first subparagraph of Article 7 of the Securitisation Regulation, the Calculation Agent shall also make information available on any breach of the obligations provided in Terms of Issue or other Transaction Documents, material change in risk characteristics of the securitisation or the underlying exposures, or material amendments to the Transaction Documents.

The Calculation Agent shall make the information available by means of a website: <https://www.signetbank.com/en/where-to-invest/> and submit to the Regulatory Authorities in a form requested by each Regulatory Authority.

The information shall be made available without delay.

7. PORTFOLIO

Pursuant to the Receivables Purchase Agreement the Issuer has purchased the Portfolio together with any other rights of the Originator that have been granted to the Originator to ensure payments on any of the purchased Receivables.

7.1. The Receivables

7.1.1. *The Seller as the Originator of the Receivables*

The purchased Receivables comprise claims against the Debtors of the Seller in respect of payments pursuant to the Lease Agreements or Leaseback Agreements for the provision of Lease or Leaseback for the purchase of used motor vehicles. The Seller is Primero Finance.

The Seller provides consumer lending (credit) services and holds a licence for provision of consumer credit services NK-2018-003 issued by the Consumer Rights Protection Centre on 22 November 2018. The licence covers such services as consumer loan, leaseback and financial lease in relation to used vehicles and vessels.

The Seller works both in online and offline environment, as the Group has more than 200 partners, including not only used car dealers but also official new vehicle dealerships.

The Seller offers Lease and Leaseback services to clients, who comply with at least the following criteria:

- i) a natural person;
- ii) is aged between 20 – 75 years;
- iii) the permanent declared place of residence is in Latvia;
- iv) the lessee is the ultimate beneficial owner;
- v) the lessee has legal capacity at the time of submitting an application to the Seller and entering into the agreement.

Pursuant to the Consumer Rights Protection Law the Seller has an obligation prior to concluding a financing agreement, to evaluate the consumer's creditworthiness on the basis of sufficient information obtained from the consumer and, where necessary, on the basis of data from the databases established for the processing of personal data regarding person's income and fulfilment of payment commitments.

The Seller offers several types of financing agreements, but the Portfolio will be made of the Receivables arising out of the Lease Agreements and the Leaseback Agreements. The related vehicle purchase agreement is made in line with the financing agreements and is made as a three party agreement – the seller, lessor and lessee. The agreements are governed by Latvian law.

7.2. Eligibility Criteria

The Eligibility Criteria for a Receivable to be included in the Receivables Purchase Agreement:

- i) such Receivable has originated or purchased by the Originator pursuant to a Lease Agreement or Leaseback Agreement in the ordinary course of the Seller's business in compliance with the credit and collection policy of the Seller;
- ii) each Debtor to which such Receivable relates is a resident of Latvia;
- iii) such Receivable is governed by the legal acts of the Republic of Latvia;
- iv) such Receivable can be validly transferred by way of sale and assignment, and such transfer is not subject to any legal or contractual restriction which prevents the valid transfer thereof to the Issuer;
- v) such Receivable is owned by the Originator free of third party rights, including any set-off rights, any defence, retention or revocation rights of the relevant Debtor;
- vi) such Receivable constitutes the legal, valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with its terms;
- vii) such Receivable is secured by a motor vehicle, and the title to each vehicle to which such Receivable relates is held by the Originator as security for the financing of such vehicle pursuant to a Lease Agreement or Leaseback Agreement;
- viii) the maturity for such Receivable is less or equal to seven years as of the Issue Date;
- ix) the related Lease Agreement or Leaseback Agreement provides for fixed monthly payments of interest and principal payable by the Debtor, equal throughout the life of the agreement;
- x) at least six months have passed since the creation of the debt liability pursuant to the Lease Agreement or Leaseback Agreement;
- xi) for the past six months since the Issue Date in the books of the Originator such Receivable has been deemed to be a Stage 1 receivable regarding expected credit loss according to International Financial Reporting Standards 9 and has not been categorized in Stage 2 or 3;
- xii) such Receivable is a performing Receivable, meaning that it does not have more than one monthly payment in arrears.

The Originator will give representations and warranties as to the compliance of the purchased Receivables with the Eligibility Criteria in the Receivables Purchase Agreement.

7.3. Notification of Assignment to the Debtors

7.3.1. Time of the notification

The Debtors will only be notified in respect of the assignment of the purchased Receivables pursuant to the Receivables Purchase Agreement upon request of the Issuer or the Security Agent provided a Note Acceleration Notice has been served to the Issuer and/or enforcement of the Security has taken place as a result of which the Debtors shall make payments under the Lease Agreements and Leaseback Agreements to a party other than the Servicer.

7.4. Characteristics of the Portfolio

Only the Lease Agreements and Leaseback Agreements that meet the Eligibility Criteria as defined in Section 7.2 (Eligibility Criteria) and, thus, have the characteristics that demonstrate capacity to produce sufficient funds and service payments due and payable on the Notes, are included in the Portfolio.

The characteristics of the Agreements included in the Portfolio are summarised in the following tables:

Key summary statistics as of the Valuation Date

Number of Lease Agreements and Leaseback Agreements	2 290
Total principal due	8 932 540 EUR
Largest principal due	19 849 EUR
Minimum principal due	39 EUR
Average principal due	3 901 EUR
Weighted average rate of interest	23.8%
Weighted average residual life of Lease Agreements and Leaseback Agreements (years)	3.81
Type of debtor	Individuals (100%)
Interest type	Fixed
Amortisation type	French amortisation
Outstanding principal amount / Initial value of the collateral	74.6%

Portfolio by Financed Year

Financed Year	Number of Loan Agreements	% of Loan Agreements	Outstanding Principal	% of Outstanding Principal
2014	2	0.09%	1 031.31	0.01%
2015	11	0.48%	12 023.65	0.13%
2016	82	3.58%	89 791.23	1.01%
2017	216	9.43%	396 799.37	4.44%
2018	290	12.66%	817 396.64	9.15%
2019	220	9.61%	780 197.58	8.73%
2020	781	34.10%	3 150 452.45	35.27%
2021	688	30.04%	3 684 847.47	41.25%
Grand Total	2 290	100.00%	8 932 539.70	100.00%

Breakdown by Outstanding principal

Outstanding principal	Number of Loan Agreements	% of Loan Agreements	Outstanding Principal	% of Outstanding Principal
< 1000	215	9.39%	118 106.75	1.32%
1 000 - 15 000	2 064	90.13%	8 629 324.13	96.61%
more than 15 000	11	0.48%	185 108.82	2.07%

Grand Total	2 290	100.00%	8 932 539.70	100.00%
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Portfolio Breakdown by Annual Rate of Interest

Annual rate of Interest	Number of Loan Agreements	% of Loan Agreements	Outstanding Principal	% of Outstanding Principal
< 10	81	3.54%	638 592.01	7.15%
11-15	105	4.59%	755 768.48	8.46%
16-20	370	16.16%	1 979 571.72	22.16%
21-25	942	41.14%	3 683 354.03	41.24%
26-30	212	9.26%	740 316.85	8.29%
31-35	55	2.40%	160 580.81	1.80%
36-40	212	9.26%	516 255.03	5.78%
41-45	105	4.59%	158 052.96	1.77%
46-50	208	9.08%	300 047.81	3.36%
Grand Total	2 290	100.00%	8 932 539.70	100.00%

Breakdown by Residual Life

Remaining maturity in months	Number of Loan Agreements	% of Loan Agreements	Outstanding Principal	% of Outstanding Principal
1-6	95	4.15%	41 773.31	0.47%
7-12	136	5.94%	144 278.92	1.62%
13-24	303	13.23%	608 865.09	6.82%
25-36	307	13.41%	995 003.78	11.14%
37-48	330	14.41%	1 324 800.27	14.83%
49-60	288	12.58%	1 392 656.61	15.59%
61-72	553	24.15%	2 766 735.56	30.97%
73-84	278	12.14%	1 658 426.16	18.57%
Grand Total	2 290	100.00%	8 932 539.70	100.00%

Breakdown by Vehicle Make

Vehicle Make	Number of Loan Contracts	% of Loan Contracts	Outstanding principal	% of Outstanding Principal
AUDI	432	18.9%	1 760 008	19.7%
BMW	391	17.1%	1 872 880	21.0%
VOLKSWAGEN	307	13.4%	1 123 986	12.6%
VOLVO	290	12.7%	1 143 207	12.8%
OPEL	139	6.1%	415 473	4.7%
MERCEDES BENZ	93	4.1%	395 343	4.4%
TOYOTA	85	3.7%	297 923	3.3%
FORD	67	2.9%	190 387	2.1%
NISSAN	59	2.6%	241 468	2.7%
RENAULT	57	2.5%	168 658	1.9%
CHRYSLER	35	1.5%	98 509	1.1%
HYUNDAI	35	1.5%	123 012	1.4%
ŠKODA	29	1.3%	89 923	1.0%

MITSUBISHI	28	1.2%	108 179	1.2%
HONDA	27	1.2%	86 895	1.0%
SEAT	26	1.1%	92 316	1.0%
PEUGEOT	24	1.0%	70 181	0.8%
MAZDA	21	0.9%	70 267	0.8%
LEXUS	19	0.8%	128 867	1.4%
CITROEN	18	0.8%	61 569	0.7%
KIA	14	0.6%	63 469	0.7%
LAND ROVER	11	0.5%	47 988	0.5%
MINI	10	0.4%	33 202	0.4%
OTHER	73	3.2%	248 830	2.8%
Grand Total	2290	100.0%	8 932 540	100.0%

Breakdown by Year of Registration

Vehicle registration year (groups)	Number of Loan Contracts	% of Loan Contracts	Outstanding principal	% of Outstanding Principal
Before 2000	95	4.1%	88 217	1.0%
2000 – 2004	605	26.4%	1 471 967	16.5%
2005 – 2009	1249	54.5%	5 036 847	56.4%
2010 – 2014	298	13.0%	1 936 865	21.7%
2015 – 2021	43	1.9%	398 643	4.5%
Grand Total	2290	100.0%	8 932 540	100.0%

8. AS PRIMERO FINANCE

8.1. Description of the Company

AS “Primero Finance” (hereinafter Primero Finance or the Originator) is a joint venture of Signet Bank AS and Eleving Group with the aim to offer convenient and affordable car financing products, combining the experience of conventional banks and financial technology companies. Primero Finance focuses on the near-prime customer segment and provides leasing and leaseback loans that are secured by cars, as well as unsecured car loans.

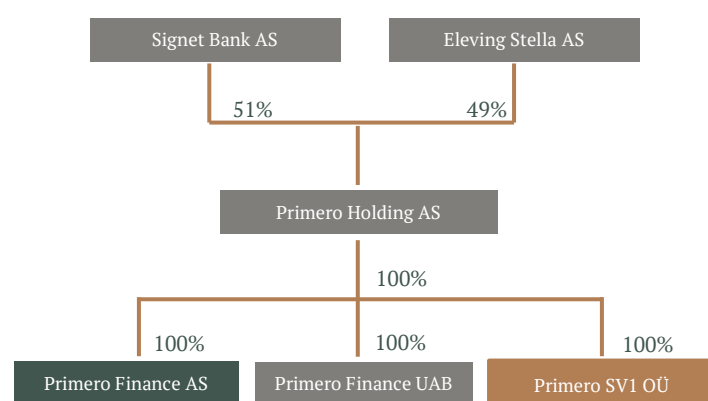
Primero Finance is a joint stock company operating in Latvia under registration number with the Commercial Register 40203148375, the registered address of which is on Antonijas iela 3, Riga, Latvia.

The Originator provides its services online, by phone and through dealer partners and holds a consumer lending licence NK-2018-003 issued by the Consumer Rights Protection Centre on 22 November 2018.

The Originator was originally established on 6 June 2018 under the name Loango AS by Eleving Group (previously Mogo Finance). On 26 September 2019, 51% shares of Loango AS was acquired by Signet Bank AS, and the name of the company was changed to AS Primero Finance.

In July 2020, Primero Finance UAB was established with the aim to start operations in Lithuania, while no operations in Lithuania have been started as of the date of these Terms of the Issue. To streamline the organizational structure bearing in mind its expansion plans in the Baltics, on 5 May 2021 Primero Holding AS (the Holding) was established with the same shareholder structure as Primero Finance AS. The Holding subsequently acquired both Primero Finance AS and Primero Finance UAB that are now its direct subsidiaries.

Structure of Primero Group



8.2. Originator's role in the transaction

In this Securitisation, based on the respective agreements as described in previous Sections, Primero Finance will act as:

- i) the Originator and Seller;
- ii) the Servicer;
- iii) the Corporate Servicer.

8.3. Overview of Primero Finance product offering

The Originator currently offers three main products to its customers: Leasing, Leaseback, and Car Loans. The key characteristics of the products are summarized below:

	Leasing	Leaseback	Car loan
Amount	EUR 2,000 to EUR 25,000	EUR 2,000 to EUR 25,000	EUR 2,000 to EUR 12,000
Term	12 - 84 months	12 - 84 months	12 – 84 months
Security (underlying vehicle)	Yes	Yes	No
LTV	Up to 90% of the purchase price	Up to 100% of the purchase price	Not applicable
Type of customer	Individual customers and legal entities	Individual customers and legal entities	Individual customers

Early repayment / prepayment	Yes, both partial and in full	Yes, both partial and in full	Yes, both partial and in full
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Under the Receivables Purchase Agreement only those Receivables that arise out of Lease and Leaseback agreements in relation to which the title to the motor vehicles is held by the Originator will be eligible for Securitisation.

When registering title to the motor vehicles, the Originator assesses its value, based on market data on sale offers of comparable motor vehicles.

The motor vehicle shall have compulsory civil liability insurance (OCTA).

To additionally protect the interests of the Originator, additionally to holding the title, a personal guarantee from a related party to the customer may be used.

8.3.1. *Customers of Primero Finance*

Primero Finance offers services to private individuals who comply with the following criteria, as defined in the Policy:

- i) is aged between 20 – 75 years;
- ii) there is no significant negative information about the customer's or guarantor's credit history;
- iii) the permanent declared place of living is in Latvia;
- iv) in case of Lease and Leaseback transaction, the underlying vehicle is not in any way encumbered in favour of any third party;
- v) the customer is the ultimate beneficial owner;
- vi) the customer has legal capacity at the time of submitting an application to the Originator and entering into the agreement;
- vii) regular proven gross monthly income of the customer is greater than the average gross minimum wage in the Republic of Latvia;
- viii) debt service to the total income ratio (DSTI) does not exceed 40% (calculated according to the guidelines of the Consumer Rights Protection Centre).
- ix) debt to income ratio (ratio of total customer's debt to annual income) should not exceed 6.

On 1 November 2020 the Originator also started providing car leasing services to legal entities.

Primero Finance offers its services both in online and offline environment, as it has more than 200 partners, including used car dealers and official new car dealerships.

8.3.2. *Loan portfolio of the Originator*

The overall net loan portfolio of Primero Finance as of 31 May 2022 was EUR 20.9 million.

The portfolio of Primero Finance is formed of two parts:

- i) a part of the portfolio that has been built through several portfolio purchase transactions from Mogo AS during the period from 2019 to 2021.
- ii) new loans issued by Primero Finance in the amount of EUR 19.8 million until 31 May 2022.

8.3.3. *Procedures and policies of the Originator*

According to the Consumer Rights Protection Law and respective Cabinet of Ministers regulations adopted based on the above law determining the requirements for a legal entity to receive a consumer credit licence it shall have internal procedures for the provision of consumer credit services determining the granting of credits and the supervision of issued credits, procedures according to which the consumer's creditworthiness is evaluated in accordance with the Consumer Rights Protection Law; procedures for the examination of consumer complaints, in order to ensure the examination of the received complaints and the provision of a response within a reasonable time period; and also an internal control system for the prevention of money laundering and terrorism and proliferation financing in conformity with requirements of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing and the procedures for assessing compliance of the attracted financing with the requirements in the field of prevention of money laundering and terrorism and proliferation financing and their legal origin.

The Originator has effective Credit Underwriting, Monitoring and Risk Management Policy (the "**Policy**"), approved by the Supervisory Board and Management Board of the Originator respectively on 30 October 2020 and 22 October 2020. The Policy aims to provide by applying the precautionary principle to offer such transactions to the clients of the Originator, whereby the Company as a result would receive revenue commensurate with the risk and establish an efficient credit risk management system by choosing such credit risk management methods, which reduce losses as a result of credit risk to an acceptable level. The Policy provides for the principles according to which the personnel of the Originator shall perform their duties.

Taking into account that the Originator is a non-bank lending service provider and a subsidiary of a bank, the originator evaluates the quality of the loans pursuant to the Consumer Protection Centre's guidelines and the normative regulations of the Financial and Capital Market Commission "Normative regulations on credit risk management".

The Originator has effective Credit Supervision Procedure (the “**Procedure**”), approved by the Management Board of the Originator on 22 October 2020. The aim of the Procedure is to document the loan supervision and debt collection order in the company.

The Procedure is applicable and binding to all structural units and employees of the company and outsourced service providers in relation to credit monitoring, lending and credit risk management. The work of the responsible employee is supervised by a senior employee of the company, and the duty of the responsible employee is to supervise loans, maintaining of quality of the existing loan portfolio. Within 30 days the employee shall establish whether there are short term or long term financial problems of the Debtor. The responsible employee shall be in contact with the Debtor and provide reminders of the outstanding loan payments. The Originator shall unilaterally terminate the agreement by the 60th day of delay due to delay in payments, unless there are other defaults on the part of the Debtor, when the company may unilaterally terminate the agreement earlier. When unilaterally terminating the agreement the Originator shall provide the Debtor with the outstanding balance of the payments, which are payable within seven days. If the payment is not performed by the Debtor within the given deadline the Originator takes over and sells off the vehicle, which has been given into use to the client.

8.3.4. *Main terms of the Lease Agreement and Leaseback Agreement*

The Originator offers financing services for the purposes of acquisition of vehicles (or vessels) by consumers in the form of a Lease Agreement and financing services where the vehicles (or vessels) are sold by the consumers to the lessor in the form a Leaseback Agreement.

Leasing is a method of financing whereby the lessor undertakes to acquire in the ownership a property – vehicle, selected by the lessee from a third party - the seller, selected by the lessee and to ensure the transfer of this property in the use of the lessee, but the lessee undertakes to accept this property and pay the agreed payments. The lessee has a right to buy – out the vehicle upon expiry of the Lease Agreement. The lessee chooses the vehicle and the lessor upon instructions of the lessee acquires the object of the leasing on its own name for the purchase price that corresponds to the agreed leasing amount and first instalment.

Pursuant to the Leaseback Agreement, the lessee undertakes to transfer to the lessor the title to the vehicle that is owned by the lessee, by selling the vehicle to the lessor, and the lessor undertakes to pay the purchase price for the vehicle. Afterwards upon acquisition of the vehicle in ownership by the lessor, the lessor grants rights to the lessee to hold the vehicle – use and repurchase the vehicle, and the lessee undertakes to accept the vehicle in use with repurchase rights and to settle all payment liabilities as foreseen in the Repurchase Lease Agreement.

The quality, legal status and appropriateness of the vehicle is the sole responsibility of the lessee. Throughout the operation of the Lease Agreement the lessor is registered as the owner of the vehicle with the Road Traffic Safety Directorate, while the lessee is registered as the holder of the respective vehicle.

The leasing sum is the sum that is issued by the lessor to the lessee, which is transferred together with the first instalment to the seller of the vehicle for payment of the vehicle purchase price and accordingly which shall be repaid by the lessee to the lessor pursuant to the Lease Agreement.

The lessee makes monthly payments of the vehicle buy-out payment and interest payment according to a pre-agreed schedule or monthly invoices. The interest payments are set out in monthly interest and is fixed. The Seller is entitled to calculate and apply contractual penalty for unduly fulfilment or late fulfilment of the liabilities by the lessee.

From the moment of registration of the vehicle on the name of the lessor, the lessee shall ensure that there shall be a valid OCTA (compulsory civil liability insurance). In case of occurrence of an insurance event the insurance compensation at the discretion of the lessor is used for repair of the vehicle or for settlement of the outstanding liabilities of the lessee.

In case of an event of default as defined in the Lease Agreement, including in case of delay of any payment by the lessee that lasts for more than 10 days, the lessor has a right to sell the vehicle at a free price, taking the market value as the starting sales price.

Upon expiry of the Lease Agreement and provided the lessee has settled all payment liabilities towards the lessor, the lessor transfers the title to the vehicle to the lessee.

9. GENERAL INFORMATION ON THE ISSUER

The Issuer is Primero SV1 OÜ, a private limited liability company registered in the Republic of Estonia under registration No. 16438773.

The Issuer carries out its activities in accordance with the applicable legal acts.

The Issuer is a securitisation special purpose entity ("SSPE"), established for the purposes of performing the Securitisation transaction.

The Issuer is 100% owned by Primero Holding AS, and its beneficial owners are Signet Bank AS (51%) and Eleving Stella AS (49%), which is a subsidiary of Eleving Group S.A.

As there is no specific regulation regarding accounting principles for securitisation special purpose entities, the Issuer developed its accounting system based on the principles introduced by the International Financial Reporting Standards as adopted by the European Union and certain market practices regarding SSPEs, assuming derecognition of the transferred assets as the entity transfers all the risks and rewards of these assets.

The assets, liabilities, costs and revenues of the Issuer in relation to the Securitisation of the Receivables will be treated as off-balance sheet assets, liabilities, costs and revenues.

9.1. Decisions of the Issuer on the Notes Issue

On 28 June 2022, the Issuer's shareholders passed the decision to issue the Notes and to authorize the management board to approve and sign all the documents (including the Terms of the Notes Issue and Transaction Documents) related to the issuance of the Notes.

On 28 June 2022, the Company's management board passed the decision to issue the Notes and to approve and sign all the documents (including the Terms of the Notes Issue and the Transaction Documents) related to the issuance of the Notes.

9.2. Auditor

The auditor of the Issuer's annual reports from the Issue Date shall be BDO Assurance SIA, registration number: 42403042353, legal address: Kaļķu 15-3B, Riga, LV-1050, Riga, the Republic of Latvia.

The Issuer will prepare its annual reports in accordance with the International Financial Reporting Standards as adopted by the European Union.

9.3. Advisors involved in the Issue

The Issuer has concluded an agreement with the Arranger to organise the Notes issue, to communicate with Nasdaq CSD, market the Notes to investors and conduct settlement of the Notes during the subscription period. The Arranger is the shareholder of the Issuer and has issued loans to the Issuer that will be partially refinanced through the issuance of the Notes. The Arranger may also provide other services to the Issuer in the future and receive remuneration for it. The Arranger will invest its own funds in the Notes in accordance with the retention requirements (Section 6.1).

The Issuer has signed the agreements with the Transaction Parties that shall provide the Issuer with respective services subject to these Terms of the Notes Issue and respective Transaction Documents.

Legal advice in respect of the Notes issue was provided by law firms TGS Baltic zvērinātu advokātu birojs SIA and Advokaadibüroo TGS Baltic AS respectively in Latvia and Estonia.

Advice in respect of structuring of the Notes in the initial stages of the transaction was provided by SIA Deloitte Latvia.

9.4. External audit of the information included in these Terms of the Issue

The information included in these Terms of the Notes Issue have not been verified by auditors.

9.5. Statements or reports included in these Terms of the Issue

These Terms of the Notes Issue do not contain any expert statements or reports.

9.6. Credit Ratings

No credit rating has been assigned to the Issuer or to the Notes.

10. RECEIVABLES PURCHASE AGREEMENT

The description of the Receivables Purchase Agreement set out below is a summary of certain features of the Agreement. Prospective investors may inspect a copy of the Receivables Purchase Agreement upon request at the registered office of the Originator.

10.1. General

Under the Receivables Purchase Agreement, the Originator and the Issuer have agreed on the terms and conditions for the assignment and transfer from the Originator to the Issuer of the Portfolio of the Receivables arising out of the Lease Agreements and Leaseback Agreements owed to the Originator by the Debtors thereunder.

The Issuer purchases the Portfolio together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure and ensure payments on any of the Receivables. The title to the motor vehicles financed under the Lease and Leaseback Agreements is retained by the Originator.

The Originator has assigned and transferred to the Issuer, and the Issuer has purchased from the Originator, the Portfolio on the Issue Date. The Portfolio has been assigned and transferred without recourse rights.

10.2. Purchase Price

As consideration for the purchase of the Receivables comprised in the Portfolio the Issuer shall pay to the Originator the Purchase Price that shall be equal to the Fair Value of the Aggregate Portfolio, calculated at the Valuation Date.

The Purchase Price of the Portfolio is equal to EUR 9,417,000 (nine million four hundred and seventeen thousand Euro). Subject to the terms and conditions of the Receivables Purchase Agreement, the Purchase Price of the Portfolio shall be paid by the Issuer to the Originator, using the net proceeds of the issuance of the Notes.

No interest shall accrue on any amount due as the Purchase Price from the relevant Valuation Date (included) until the date of payment of the Purchase Price.

10.3. Eligibility Criteria

The Receivables comprised in the Portfolio shall as at the Valuation Date comply with the Eligibility Criteria as set out in Section 7.2.

If it is discovered that any of the Receivables did not meet the Eligibility Criteria as at the Valuation Date, the Originator shall repurchase such Receivables as set out in Section 10.4.3 (Representations and Warranties).

10.4. Call Options

Under the Receivables Purchase Agreement the Issuer has granted the Originator certain call options pursuant to which the Originator, subject to certain conditions and limitations may repurchase from the Issuer all or part of the Receivables comprised in the Portfolio, not already collected as of the date of exercise of any such options.

10.4.1. Defaulted Receivables Call Option

Under the Receivables Purchase Agreement, the Issuer has irrevocably granted to the Originator an option to repurchase individual Defaulted Receivables forming part of the Portfolio pursuant to the terms and conditions set out below. The Defaulted Receivables Call Option is aimed at facilitating the recovery and liquidation process of respective Defaulted Receivables and shall be made in accordance with the prevailing market conditions with the Originator and the Issuer acting in its own interest as free and independent parties by performing the transaction on an arm's length basis.

In order to exercise the Defaulted Receivables Call Option, the Originator shall serve an irrevocable written notice ("**Defaulted Receivables Call Option Exercise Notice**") on the Issuer with a copy to the Calculation Agent and Security Agent at least 14 calendar days prior to the beginning of the Collection Period, stating that it intends to exercise the option in respect to the following Collection Period and setting out the repurchase price and conditions according to which the Defaulted Receivables are to be repurchased.

If the Defaulted Receivables Call Option is exercised by the Originator, the Issuer has the obligation to sell all of the Receivables that become Defaulted Receivables during the respective Collection Period to the Originator or any third party appointed by the Originator.

The transfer of the Defaulted Receivables shall be effected immediately upon each respective Receivable becoming a Defaulted Receivable, and based on the actual number of the Defaulted Receivables transferred during the respective Collection Period, the Originator shall pay the aggregate price for the Defaulted Receivables equal to the Fair Value of each Defaulted Receivable in a lump sum within 5 (five) Business Days after the end of the respective Collection Period.

The Issuer shall add the proceeds of such sale to the Issuer Available Funds during the respective Collection Period when such proceeds are collected from the Originator.

The Issuer and the Originator have undertaken to enter into any other agreement, deed and document and take any steps as may be necessary to implement such repurchase.

10.4.2. *Options to repurchase the Aggregate Portfolio*

Under the Receivables Purchase Agreement, the Issuer has irrevocably granted the Originator the option to repurchase the Aggregate Portfolio. Such option can be exercised by the Originator only in respect of any Payment Date following the occurrence of a Clean-up Call Condition, Regulatory Call Event or Tax Call Event, by serving a written notice on the Issuer (with copy to the Calculation Agent and Security Agent) no later than 20 calendar days prior to the relevant Payment Date.

The repurchase of the Aggregate Portfolio shall be made for a price that is equal to the Repurchase Price and without recourse at risk of the purchaser, without any warranty by the Issuer (including without limitation any warranty as to the existence of the Receivables comprised in the Portfolio).

For further details see Sections 5.5.3 (*Optional Redemption for Taxation*), 5.5.4 (*Optional Redemption for Regulatory Reasons*), 5.5.5 (*Clean – Up Call Option*).

10.4.3. *Representation and warranties*

Under the Receivables Purchase Agreement, the Originator has provided certain representations and warranties as of the Portfolio transfer date in favour of the Issuer in relation to the Aggregate Portfolio.

The representations and warranties cover the following categories:

- (a) authorization and binding obligations;
- (b) records and documentation;
- (c) portfolio;
- (d) agreements;
- (e) compliance;
- (f) litigation.

The Originator has not made any express or implied representations or warranties regarding the Originator, the Aggregate Portfolio or any group company other than the Originator's representations and warranties, which exclude all other implied and express representations and warranties, whether statutory or otherwise. For the sake of clarity, the Originator has not made any representations or warranties with respect to the performance of the Aggregate Portfolio.

The Issuer upon establishing that any representations and warranties under the Receivables Purchase Agreement in relation to the Receivables turn out to be untrue, incomplete or imprecise ("**Incompliant Receivables**"), will request the Originator to repurchase the Incompliant Receivables, and the Originator shall repurchase and make the payment for such Incompliant Receivables within 14 (fourteen) calendar days from the day it receives a written notification from the Issuer. The repurchase price of Incompliant Receivables shall be equal to the original purchase price of the respective Receivable, reduced by scheduled payments (interest and principal) received on such Receivable by the Issuer (if any), fixed at the end of the immediately preceding Collection Period.

The funds acquired by the Issuer as a result of the repurchase of the Incompliant Receivables shall form the Issuer Available Funds for the respective Collection Period when such proceeds are received.

10.5. **Governing law**

The Receivables Purchase Agreement and any non-contractual obligations arising out of it, or in connection with it, are governed by and shall be construed in accordance with Latvian law.

11. SERVICING AGREEMENT

The description of the Servicing Agreement set out below is a summary of certain features of the Agreement. Prospective investors may inspect a copy of the Servicing Agreement upon request at the registered office of the Originator.

11.1. General

Under the Servicing Agreement, the Issuer has appointed Primero Finance as the Servicer of the Receivables.

The receipt of the Collections from the Debtors is the responsibility of the Servicer. Under the Servicing Agreement, starting from the Issue Date (including) the Servicer shall transfer any amounts collected to the Issuer Account net of the Service Fee within 14 (fourteen) Business Days following the end of each month.

The Servicer has undertaken:

- to receive the Collections from the Debtors and transfer these to the Issuer Account;
- to provide the Portfolio administration services, including management of the Defaulted Receivables (administration of debt collection);
- to prepare the Portfolio reports to the Issuer;
- to prepare reports to regulatory authorities, as required by Applicable Laws.

11.2. Service Fee

The Servicer shall be entitled to a Service Fee that shall be paid on a monthly basis by withholding it from the Collections received over the respective month.

The Service Fee shall be determined as follows:

- 0.26% (zero point twenty six percent) of the Outstanding Receivables Principal of the Performing Receivables Portfolio at the beginning of the respective month; and
- 7.7% (seven point seven percent) from the cash collected from the serviced Defaulted Receivables (if any);
- EUR 250 (two hundred and fifty Euro) for every Defaulted Receivables Agreement that goes into repossession (the “**Service Fee**”).

11.3. Renegotiations

The Servicer has the right to amend the provisions of the Lease Agreements and Leaseback Agreements entered into with the Debtors without receiving consent of the Issuer and Noteholders, provided that such changes do not include extending of the maturity date of the underlying agreements so that it exceeds the Maturity Date of the Notes or any other changes that might result in breach of the Receivables Eligibility Criteria.

11.4. Servicer Termination Events

The Issuer shall advise in writing the Security Agent on unduly exercise of the liabilities or non-observance of certain liabilities by the Servicer amounting to a breach under the Servicing Agreement and other Transaction Documents. The Security Agent shall present its position on the termination of the Servicing Agreement, and subject to consent of the Security Agent the Issuer may terminate the appointment of the Servicer subject to the below circumstances.

The Issuer may terminate the appointment of the Servicer, if any of the following circumstances occurs:

- a) the Servicer defaults in the performance or observance of any of its obligations under the Transaction Documents to which it is a party, provided that (i) such default is materially prejudicial to the interests of the Noteholders and (ii) such default remains unremedied for 30 (thirty) calendar days after the Issuer has notified the Servicer requiring the same to be remedied.
- b) An Insolvency Event in relation to the Servicer has occurred

Notice of termination of the Servicer’s appointment shall be given in writing by the Issuer to the Servicer or the insolvency administrator in relation to the Servicer (with a copy to the Noteholders, the Security Agent, and the Calculation Agent) by serving at least a 90 (ninety) calendar days prior notice.

Upon termination of the appointment of the Servicer pursuant to the Servicing Agreement, the Issuer shall appoint a Substitute Servicer before the termination becomes effective.

The appointment of the Substitute Servicer shall be made by the Issuer: the candidate for the Substitute Servicer shall have expertise in servicing similar exposures of a similar nature to the Receivables and well – documented and adequate policies, procedures and risk-management controls relating to servicing of the exposures and shall be able to ensure efficient and professional performance of any activities provided under legal acts from time to time applicable as well as have sufficient assets to ensure the continuous and effective performance of its duties.

Once a Substitute Servicer is appointed, the servicing agreement for such appointment between the Issuer and the Substitute Servicer shall be based on the terms and conditions analogous to those of the Servicer and the Issuer and any additional terms and conditions that the parties deem necessary. Simultaneously the Issuer shall ensure that the Substitute Servicer shall enter into other Transaction Documents, if applicable, by replacing the Servicer. The Substitute Servicer shall notify the Debtors on the payment details for further payments under the Lease Agreements and Leaseback Agreements accordingly.

The Servicer has no right to unilaterally terminate the Agreement, with the exception of situations where the Issuer does not fulfil its obligations under the Transaction Documents.

11.5. Governing law

The Servicing Agreement and any non-contractual obligations arising out of it, or in connection with it, are governed by and shall be construed in accordance with Latvian law.

12. CALCULATION AGENT AGREEMENT

The Issuer, the Servicer, and the Calculation Agent have entered into the Calculation Agent Agreement. The description of the Calculation Agent Agreement set out below is a summary of certain features of the Agreement. Prospective investors may inspect a copy of the Calculation Agent Agreement upon request at the registered office of the Originator.

12.1. General

The Issuer has appointed Signet Bank as the Calculation Agent to provide the Issuer with the following calculation and reporting services.

12.1.1. On or prior to each Calculation Date the Calculation Agent has agreed to provide the Issuer with calculation services, providing the calculations of:

- (a) the Issuer Available Funds;
- (b) the Senior Tranche Notes Redemption amount, and the Junior Tranche Notes Redemption amount (if any);
- (c) the principal payment (if any) due on each Note of the respective Class on the next following Payment Date;
- (d) the Principal Amount Outstanding on each Note of each Class of the Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each such Note);
- (e) Expected Remaining Cash Flows from the Receivables.

12.1.2. The Calculation Agent shall act as the Reporting Entity and provide reporting services in compliance with Securitisation Regulation and Applicable Technical Standards maximum one month after each Payment Date ("**Report Date**").

12.2. Remuneration

The Calculation Agent shall be entitled to a compensation for the services provided pursuant to the Calculation Agent Agreement.

The fee shall be paid on a quarterly basis, based on an invoice provided by the Calculation Agent not earlier than on the last day of the respective calendar quarter.

The Calculation Agent fee shall be determined as follows:

Period	Fee per month, EUR
until 30 September 2022	700
1 October – 31 December 2022	500
1 January – 31 December 2023	535
1 January – 31 December 2024	562
1 January – 31 December 2025	590
1 January – 31 December 2026	619
1 January – 31 December 2027	650
1 January – 31 December 2028	682
1 January – 31 July 2029	717

12.3. Governing Law

The Calculation Agent Agreement and any non-contractual obligations arising out of it, or in connection with it, are governed by and shall be construed in accordance with Latvian law.

13. CORPORATE SERVICES AGREEMENT

Below is a summary of certain features of the Corporate Services Agreement and is a reference to the detailed provisions of the Corporate Services Agreement. Prospective investors may inspect a copy of the Corporate Services Agreement at the registered office of the Originator.

13.1. General

The Issuer and the Corporate Services Provider (Primero Finance) have entered into a Corporate Services Agreement, pursuant to which the Corporate Services Provider will provide the Issuer with a number of services, including, *inter alia*:

- (a) corporate accounting services, such as keeping and updating of various corporate and accounting books and records, including, for example, preparation of annual and interim financial statements in accordance with applicable laws and reporting to the regulatory authorities;
- (b) various corporate services, such as secretarial services, assistance to the auditors;
- (c) miscellaneous services of fiscal nature, including tax returns and declarations and keeping of fiscal records.

The Corporate Services Provider is entitled provide the services itself or use the services of qualified third parties.

The Issuer may terminate the appointment of the Corporate Services Provider in certain circumstances, including, *inter alia*, in the event of breach by the Corporate Services Provider of its obligations under the Corporate Services Agreement.

13.2. Remuneration

The remuneration of the Corporate Services Provider will be determined as follows:

- (a) a monthly fee of EUR 1,500 (one thousand five hundred Euro);
- (b) fees for accounting services and independent audit service shall be recharged to the Issuer, based on the actual costs of the services provided.

The respective fees shall be paid based on quarterly invoices issued by the Corporate Services Provider no earlier than on the last date of each calendar quarter.

13.3. Governing law

The Corporate Services Agreement and any non-contractual obligations arising out of it, or in connection with it, are governed by and shall be construed in accordance with Latvian law.

14. SECURITY AGREEMENTS

The Security Agent will hold the Security in the interests of the Noteholders. The Security will be provided as commercial pledge over the pool of receivables arising from the Aggregate Portfolio, where the Issuer would be the pledgor and the Security Agent as the pledgee (Commercial Pledge Agreement). The commercial pledge will be established by the Issuer by registering the commercial pledge with the Commercial Pledge Register of the Enterprise Register of the Republic of Latvia within 90 days from the First Settlement Date.

The Security will be provided securing the Parallel Debt, which would be in parallel to the liability of the Issuer under these Terms of Issue.

The Security will secure all claims of the Security Agent under the Parallel Debt – the principal and ancillary claims. The maximum secured amount under the commercial pledge is EUR 12,298,000.00 (twelve million two hundred ninety eight thousand Euro).

The Security Agent as the pledgee under the Security Agreement will be entitled to take over the subject of the commercial pledge in case of occurrence of a Trigger Event (if instructed so by the Majority Noteholders) and enforce the commercial pledge by selling the subject of the commercial pledge at a free price, without intermediation of court and without organising an auction.

15. ESTIMATED WEIGHTED AVERAGE MATURITY OF THE NOTES

The Estimated Weighted Average Maturity of the Notes (“WAM”) depends on many factors that are outside the control of the Issuer and, thus, no assurance can be given that the assumptions and estimates used in the calculations, as presented below, will prove correct and they must therefore be viewed with caution.

The yields to maturity on each Tranche of the Notes will be affected by the amount and timing of delinquencies and default on the Receivables. Moreover, the Issuer’s ability to redeem each Tranche of the Notes in full on the Maturity Date will also be impacted by delinquencies and defaults on the Receivables.

Estimated Weighted Average Maturity of the Notes refers to the amount of time that will pass from the Issue date of the Notes to the Date of distribution to the Noteholders of each Euro distributed in reduction of the Initial Principal Amount of such Note. WAM will be affected by the Principal Payment Amounts received on the purchased Receivables.

The estimated principal payments are calculated based on the scheduled (contractual) principal payments, prepayments, and the defaults on any Receivable. Thus, WAM will depend on the amount of the Issuer Available Funds available to redeem the Notes.

The estimated WAM cannot be precisely predicted, as the actual rate at which the Loans will be repaid and a series of other relevant factors are not known; therefore, WAM calculations are based on certain assumptions that contain certain limitations. No representations can be made that such estimates are accurate and will be realised or that all relevant assumptions have been considered. Any difference between the assumptions and actual characteristics and performance of the Receivables will cause the estimated WAM and the expected maturity of the Notes to differ from the information presented below.

The key assumptions used for the calculations of WAM are listed below:

- (a) the Valuation Date is 31 May 2022.
- (b) Interest payments on the Notes are due and will be received on every Payment Date, starting from 31 October 2022;
- (c) all Issuer Available Funds shall be distributed to the Noteholders on every Payment Date;
- (d) the Originator exercises its Defaulted Receivables Call Option to repurchase the Defaulted Receivables for each Collection Period;
- (e) The Originator exercises its option to exercise the Clean-Up Call Option upon the occurrence of a Clean-Up Call Condition at the earliest Payment Date possible;
- (f) apart for provisions under the previous two paragraphs, the Originator does not repurchase any other Receivables from the Originator;
- (g) the key parameters of the purchased Receivables (such as e.g. prepayment rate, default rate, recovery rates) as determined on the Valuation Date based on the performance of the Receivables portfolio during the 6 month period between December 2021 and May 2022 will remain unchanged until the Final Redemption of the Notes.

The following assumptions for the prepayment rates, depending on the status of the loan (according to IFRS 9) are used in the calculations of WAM:

Bucket	Prepayment rate
Current	0.97%
1 – 30 days past due	0.63%
Healing	0.54%
31 – 60 days past due	1.56%
Defaulted	0.00%

- (a) zero percent interest rate is earned on the Accounts;
- (b) Expenses payable by the Issuer are equal to the sum of all expenses set-out in the Transaction Documents.
- (c) no Issuer Trigger Event has occurred;
- (d) the terms of the underlying Lease Agreements and Leaseback Agreements remain unchanged until the Notes are redeemed.

Estimated WAM for the Notes, years

	Senior Tranche	Junior Tranche
With Clean-Up Call	1.39	3.30
Without Clean-Up Call	1.39	3.62

16. TERMS OF THE OFFERING

16.1. Subscription to the Notes

16.1.1. *Subscription period*

The initial offering shall commence on 27 June 2022 and shall end on 29 July 2022 at 17:00 or when all Notes are sold, whichever is earlier.

16.1.2. *Subscription terms*

Subscription orders to the Notes can be submitted to the Arranger every Business Day during normal working hours. More detailed information on the submission of the subscription orders is available by phone +371 67 081 069.

A subscription order can also be submitted to other Custodians, which in turn shall submit orders to the Arranger. The form of such subscription orders is regulated by contracts between the investors and Custodians and by the applicable legal acts.

The total principal value of the subscribed Notes should be stated in the subscription order. Investors have the right to submit several subscription orders during the offering. Subscription orders to the Notes are irrevocable. The Arranger will register all submitted subscription orders of its clients according to legal requirements and internal procedures.

By submitting a subscription order the investor confirms that it (i) has read and understands the Terms of Issue, (ii) agrees and commits to adhere to the Terms of Issue.

The Notes issue is a private placement arranged in compliance with the Financial Instruments Market Law, Securitisation Regulation, and other applicable legal acts that are in force, including the FCMC, and the Nasdaq CSD regulations. The minimum subscription size for Notes is EUR 100,000 (one hundred thousand euro) with minimum step of EUR 1,000 (one thousand euro). Subscription size should adhere Settlement Unit Multiple.

Retail investors are not eligible to subscribe to the Junior Tranche Notes and can subscribe to the Senior Tranche Notes only if all conditions under the Article 3(1) of the Securitisation Regulation are met. The Notes can only be offered to retail investors through channels of portfolio management and investment advice.

16.1.3. *Notes price*

The Notes purchase price during the initial placement of the Notes is equal to 100% (one hundred per cent) of the Initial Principal Amount.

All subscription orders that have been aggregated during the subscription period with the First Settlement Date as of 1 July 2022 will be delivered without accrued interest.

All subscription orders that have been submitted after the First Settlement Date shall be executed with accrued interest, unless the subscription orders are submitted during the 5 (five) Business Days before each Payment Date – from the Interest Calculation Date and until the Payment Date, in which case the subscription orders shall be executed without accrued interest.

16.1.4. *Changes to the Notes issue size*

At any time the Issuer may decide to discontinue offering of the Notes. The total issue size is equal to the actual issue size of the Notes before such decision.

16.1.5. *Oversubscription and undersubscription*

In case the total number of the Notes subscribed for during the subscription period is less than the number of the Notes available, the Notes will be allotted based on the subscription orders placed.

In case the total number of the Notes subscribed for is higher than the number of the Notes available the proportionate reduction principle shall be applied to the extent possible. The decision on the final allocation of the Notes is made by the Issuer. The Notes allocated to the Noteholders shall not be less than the minimum subscription size.

16.1.6. *Allocation of the Notes to investors*

The Notes are allocated to the investors in the amount not larger than the amount specified in the subscription order and not less than the minimum subscription size as described in the Section 16.1.2 (Subscription terms).

The Issuer at its sole discretion has a right to refuse to allocate all or part of the subscribed Notes to any investor.

The Issuer or Arranger at its sole discretion has a right to refuse to allocate all or part of the subscribed Notes to any investor due to Anti – Money Laundering and Sanctions Regulations compliance risk or other related risks.

16.1.7. Settlement and delivery of the Notes

The First Settlement Date of the Notes is 1 July 2022. All subscription orders that have been aggregated during the subscription period with settlement date on the First Settlement Date will be delivered without accrued interest.

The settlement date for the Notes can be any Business Day which is not earlier than the second Business Day and not later than the 20th Business Day after the subscription order has been duly submitted to the Arranger.

Settlement of the Notes will be executed through the Nasdaq CSD as DVP (i.e. delivery versus payment) transactions according to the applicable Nasdaq CSD rules and Operating Manual. The Custodians execute payments for the Notes based on the results of the subscription provided by the Arranger. The Notes will be transferred to the investors' financial instrument accounts on the settlement date.

Settlement for the Notes can be executed according to another procedure, which is agreed to by the Arranger and the investor.

16.1.8. Pre-emptive rights

None of the investors has the rights of pre-emption in respect to acquisition of the Notes in the initial placement.

17. TAXES

17.1. Notice

This summary is of general nature and should not be considered a legal or tax advice. This section does not contain full and complete information on all the taxes that relate to investment in the Notes. Tax rates and conditions for paying taxes may change during the life of the Notes. Prospective Investors should consult with their own tax advisors with respect to their particular circumstances and the effects of the Estonian or foreign tax legal acts to which they may be subject to.

17.2. Non-resident Noteholders

According to the Estonian Income Tax Act (“EITA”), interest payments made by the Issuer to Estonian non-resident Noteholders (both corporate entities and natural persons) will not be subject to withholding tax in Estonia. The permanent establishments of non-residents in Estonia share the same tax treatment as resident corporate entities (see “Resident Noteholders” below).

17.3. Resident Noteholders

Pursuant to the EITA, interest payments made by the Issuer to an Estonian resident corporate taxpayer or private entrepreneur Noteholders will not be subject to withholding tax in Estonia.

Withholding tax at the rate of 20 percent will be levied on the taxable interest payments made by the Issuer to Estonian resident natural person Noteholders. However, the Issuer will not withhold income tax if the Estonian resident natural person Noteholder has notified the Issuer that the income tax liability on the interest income has been postponed due to using an investment account regime by the Noteholder as specified in Article 172 of the EITA. No withholding tax is applicable to capital gains received by corporate and natural person residents of Estonia from the sale of the Notes.

17.4. Income Taxation

17.4.1. Non-resident Noteholders

According to the EITA, interest payments made by the Issuer to Estonian non-residents Noteholders (corporate entities and natural persons) is not subject to income tax in Estonia. The interest income and capital gains received by non-resident Noteholders may be subject to taxation in their country of residence.

With regard to interest income received by a permanent establishment located in Estonia, see “Resident Noteholders” below.

17.4.2. Resident Noteholders

Corporate Residents

Interest income and capital gains received by resident legal entities and permanent establishments of non-residents is not subject to corporate income tax (“CIT”) in Estonia upon receiving the income. Such income is included in the income of the resident or a permanent establishment but is not immediately taxed. CIT is levied upon profit distribution.

Permanent establishments of non-residents of Estonia are taxed similarly as resident corporate entities, with some special rules. Profit attributed to a permanent establishment is subject to CIT when it has been taken out of the permanent establishment in monetary or non-monetary form.

Resident Individuals

The interest income received by Estonian tax resident individual is subject to 20 percent personal income tax (“PIT”) in Estonia, which is withheld by the Issuer. Interest income means all interest accrued from loans, leases and other debt obligations, as well as securities and deposits, including such amount calculated on the debt obligations by which the initial debt obligations are increased.

Capital gains earned by Estonian tax resident individuals from the sale or exchange of the Notes is taxed as profit from the transfer of property, which is subject to PIT at the rate of 20 percent. Pursuant to Section 37 (1) of the EITA, gains or loss derived from the sale of Notes is the difference between the acquisition cost and the selling price of the Notes. The gain or loss derived from the transfer of the Notes is the difference between the acquisition cost and the sale price of the Notes. The gains or loss derived from the exchange of property is the difference between the acquisition cost of the property subject to exchange and the market price of the property received as a result of the exchange. Additionally, the Holder has the right to deduct proved expenses directly related to the sale or exchange of property from the Noteholder’s gain or to add such expenses to the Noteholder’s loss.

Exclusively for natural person taxpayers, EITA enables postponement of the taxation of income derived from the publicly offered securities by using an investment account regime specified in Section 172 of the EITA. This special regime applies strictly to the securities referred to in section 171 of the EITA. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account). Taxation of Estonian tax resident private entrepreneur is different.