

PLATFORM TERMS: RISK PARTICIPATION TERMS

Effective for Funding Requests Listed on Minterest Platform from 1 November 2021

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The Risk Participation Terms will be incorporated by reference into the relevant Funding Arrangement. The applicable final terms in relation to any Funding Arrangement will be specified in the Confirmed Funding Arrangement Documents. The applicable Confirmed Funding Arrangement Documents will be available on the Platform for inspection by the Participating Members.

For the avoidance of doubt, the Risk Participation Terms forms part of the Platform Terms.

PART I: GENERAL OVERVIEW OF THE RISK PARTICIPATION ARRANGEMENT

1. OVERVIEW

- 1.1 Minterest operates the Platform, which allows Clients to seek Funding by way of Loans or Factorings under Funding Requests posted on the Platform.
- 1.2 Once a Funding Request has been posted by a Client, registered Members with the Platform may choose to submit an Offer to Participate in the prescribed form and thereby become a Participating Member once they are notified of the same by Minterest in its capacity as Facility Agent.
- 1.3 The Participating Members in a Confirmed Funding Arrangement will assign their rights under the respective Confirmed Funding Arrangement Documents to the Risk Participant through the execution of a Risk Participation Agreement.
- 1.4 The Risk Participant will then declare a CFA Trust, and *inter alia*, hold the Assigned Rights in favour of the Participating Members (and the SDAX Financial Entities) in accordance with the terms of the CFA Trust Deed.
- 1.5 In line with Minterest's Privacy Policy (which is in accordance with the PDPA), Members and Participating Members will be referred to and identifiable only by their Member Platform Account Number on the Platform, or in any Confirmed Funding Arrangement Document and CFA Trust Deed.
- 1.6 All Clients acknowledge that they understand and confirm that Members and Participating Members will only be identified by their Member Platform Account Numbers. Further, any Confirmed Funding Arrangements entered into by a Client with the Participating Members will be valid and enforceable against the Client regardless the fact that the Participating Members are only identifiable by their Member Platform Account Number.
- 1.7 The full details of the Participating Members will be recorded in the Platform Master Ledger. For the avoidance of doubt, the Platform Master Ledger will only be disclosed by Minterest if required by law.

2. PURPOSE OF THE RISK PARTICIPATION ARRANGEMENT

- 2.1 The Risk Participation Terms are formulated for the benefit of the Participating Members.
- 2.2 Pursuant to the Platform Terms, each Funding Arrangement is considered a separate arrangement and each Participating Member may pursue separate proceedings to enforce their rights against the Client under the Funding Arrangement.
- 2.3 However, if the Participating Members were to undertake enforcement actions against a defaulting Client separately, this will lead to duplicative actions. Such a scenario will

undoubtedly incur additional and unnecessary costs for the Participating Members, potentially delay the recovery and would likely even have a negative impact on the recovery rate against a defaulting Client.

- 2.4 The Risk Participation Arrangement has been designed to:
- (a) reduce the number of duplicative actions against a defaulting Client;
 - (b) simplify the recovery process for Participating Members; and
 - (c) benefit from economies of scale which will in turn bring overall greater value for the Participating Members in the event of a Client Event of Default.

PART II: THE RISK PARTICIPATION TERMS

3. GENERAL

- 3.1 These Risk Participation Terms briefly illustrates the relationship between the Participating Members and the Risk Participant.
- 3.2 This Part II of the Risk Participation Terms will be materially reproduced in the Risk Participation Agreements.
- 3.3 These Risk Participation Terms are meant to be illustrative and explanatory of the terms within the Risk Participation Agreements. Accordingly, it should be read and construed in conjunction with the Risk Participation Agreements.
- 3.4 If there is any conflict between the provisions of these Risk Participation Terms and the Risk Participation Agreements, the provisions in the Risk Participation Agreements will prevail.
- 3.5 Unless otherwise specified, these Risk Participation Terms are in addition to, and not intended to replace the Platform Terms: General Terms and Conditions.

4. ASSIGNMENT

- 4.1 The Participating Members agree to and will assign, absolutely as beneficial owner, to the Risk Participant all of their rights, claims, title, interest and benefits from time to time under the Confirmed Funding Arrangement Documents (with the exception of the Risk Participation Agreement and the Risk Participation Arrangement) and in and to the Proceeds on the relevant Effective Date by executing the Risk Participation Agreement.

5. NOTICE OF ASSIGNMENT

- 5.1 The Participating Members will authorise Minterest, in its capacity as the Facility Agent, to execute and deliver a notice of the Assignment to the Confirmed Client on the Effective Date in accordance with the Risk Participation Agreement.
- 5.2 Notwithstanding the authority to be given to Minterest to execute and deliver the notice of the Assignment to the Confirmed Client, the Participating Members are deemed to have given notice to the Confirmed Client of the Assignment on the Effective Date.
- 5.3 Notwithstanding any failure of the Facility Agent (acting for and on behalf of the Participating

Members) to deliver the notice in accordance with the Risk Participation Agreement, the Confirmed Client is deemed to have notice of the Assignment on the Effective Date.

- 5.4 The Confirmed Client will execute and deliver an acknowledgement of the Assignment to the Risk Participant and the Facility Agent on the Effective Date upon receipt of the notice referred to in this Clause 5 in accordance with the Risk Participation Agreement.

6. DECLARATION OF TRUST

- 6.1 After the execution of the Risk Participation Agreement, the Risk Participant will declare a CFA Trust over all the rights, claims, title, interest and benefits assigned under the Assignment in favour of the Participating Members and the SDAX Financial Entities within 14 Business Days of the Effective Date in accordance with the Risk Participation Agreement.

7. CONSIDERATION

- 7.1 As consideration for the Assignment, the Risk Participant, in addition to declaring a CFA Trust in accordance with the Risk Participation Agreement, agrees to and will pay the relevant stamp duty charges incurred in relation to the declaration of the CFA Trust, with the Risk Participant's payment obligation being capped at S\$10.

8. AUTHORITY OF THE FACILITY AGENT

- 8.1 Notwithstanding anything else contained in the Risk Participation Agreement, the Participating Members authorise the Facility Agent to act for and on their behalf in exercising any right or discretion, carrying out any obligation, undertaking and any action arising out of, or in connection with, the Risk Participation Agreement.

9. INDEMNITY AND RATIFICATION

- 9.1 The Risk Participant and the Facility Agent will not be liable for or responsible to the Participating Members for any loss or damage arising from any act, default, omission or misconduct on their part in connection with or in relation to the Risk Participation Agreement (except to the extent caused by their own fraud or wilful misconduct).
- 9.2 The Participating Members agree to ratify and confirm whatever the Risk Participant and the Facility Agent do or purport to do in the exercise or purported exercise of their powers, authorities and discretions pursuant to the Assignment.

PART III: THE CFA TRUST

10. GENERAL

- 10.1 In consideration for the Assignment, and pursuant to the Risk Participation Agreement, the CFA Trustee is obliged to declare a CFA Trust and, among other things, hold the Assigned Rights in favour of the Participating Members (as the Beneficiaries under the CFA Trust Deed) in accordance with the terms of the CFA Trust Deed.
- 10.2 This Part III of the Risk Participation Terms will be materially reproduced in the CFA Trust Deed.
- 10.3 These Risk Participation Terms are meant to be illustrative and explanatory of the terms within the CFA Trust Deed and will be read and construed in conjunction with the CFA Trust Deed.

10.4 If there is any conflict between the provisions of these Risk Participation Terms and the CFA Trust Deed, the provisions in the CFA Trust Deed will prevail.

10.5 Unless otherwise specified, these Risk Participation Terms are in addition to, and not intended to replace the Platform Terms: General Terms and Conditions.

11. DECLARATION OF TRUST

11.1 The CFA Trustee will declare that it holds the Assigned Rights on trust for the benefit of the Beneficiaries in accordance with the terms of the CFA Trust Deed.

12. RECEIPT AND REPAYMENT OF PROCEEDS

12.1 The CFA Trustee will apportion and pay out the relevant Proceeds it receives from the Confirmed Client in the following manner and order of priority (on a *pari passu* basis (i.e. rank equally) where applicable):

- (a) to settle all fees, expenses and sums (including any legal fees, professional debt collection agency fees and adverse cost orders) due to or incurred by the SDAX Financial Entities, in their capacities as the Facility Agent, the Security Agent and in any other capacity howsoever occurring from time to time in accordance with the Confirmed Funding Arrangement Documents;
- (b) to settle all costs, expenses and sums incurred by the CFA Trustee in the exercise of its functions; and
- (c) net proceeds after taking into account the payouts made to the SDAX Financial Entities and the CFA Trustee in accordance with Clauses 12.1(a) and 12.1(b) above, will be divided amongst the Participating Members who are Beneficiaries in accordance with their Pro-Rata Proceeds Share and be paid to them in accordance with the Confirmed Funding Arrangement Documents.

12.2 Notwithstanding Clause 12.1 above, the CFA Trustee will be allowed to retain and withhold the distribution of the Proceeds and utilize the Proceeds in any manner in its sole discretion as long as the CFA Trustee reasonably believes it to be in the best interests of the Beneficiaries.

13. EXTENT OF THE CFA TRUSTEE'S POWERS, ROLE AND RESPONSIBILITY

13.1 Upon notice or discovery of an occurrence of a Client Event of Default under the Confirmed Funding Arrangement Documents, the CFA Trustee will give written notice to the Beneficiaries to inform them of the occurrence of such Event of Default and, where possible, within 7 Business Days of such notice or discovery.

13.2 The CFA Trustee will have the following powers under the CFA Trust Deed:

- (a) the power to unilaterally commence an action, claim or proceeding (legal or otherwise) against the Confirmed Client to recover all or any part of the relevant Proceeds as and when such Proceeds are due and owing from the Confirmed Client;
- (b) the power to apportion and make distributions from the relevant Proceeds received from the Confirmed Client in accordance with the Confirmed Funding Arrangement Documents and Clause 12 above;

- (c) the power to exercise any remedies available to the Participating Members under the Confirmed Funding Arrangement Documents;
 - (d) the power to appoint solicitors or any other person in furtherance of the CFA Trustee's duties under the CFA Trust Deed;
 - (e) any other Assigned Rights;
 - (f) any rights or powers the CFA Trustee may have under the Trustees Act that is not expressly excluded from application under or in contradiction with the CFA Trust Deed;
 - (g) any other rights or powers the Beneficiaries or the CFA Trustee may have under general law; and
 - (h) any other action that the CFA Trustee deems to be in the best interests of the Beneficiaries.
- 13.3 Notwithstanding Clause 13.2 above, the CFA Trustee will retain the discretion not to exercise its rights and powers as set out above as long as the CFA Trustee reasonably believes that doing so would not be in the best interests of the Beneficiaries.
- 13.4 In the case when the Beneficiary requests that the CFA Trustee exercise a right and power available to it under the CFA Trust Deed, the CFA Trustee will have the right to request for and be furnished with an indemnity from the Beneficiaries before it proceeds with the relevant exercise of its rights and powers. Unless the CFA Trustee is indemnified to its satisfaction against all liabilities that it may incur in the pursuit of such rights, the CFA Trustee will not be bound to exercise such rights and powers.
- 13.5 Section 3A(1) of the Trustees Act will not apply to any function of the CFA Trustee in relation to any trust constituted under the CFA Trust Deed. If there are any inconsistencies between the Trustees Act and the provisions of the CFA Trust Deed, the provisions of the CFA Trust Deed will, to the extent allowed by law, prevail.
- 13.6 Notwithstanding anything else contained in the CFA Trust Deed, the CFA Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction, any court order or arbitral award or any directive or regulation of any agency or any state or which would or might otherwise render it liable to any person or which it would not have the power to do in that jurisdiction and may do anything which is, in its opinion, necessary to comply with any such law, court order, arbitral award, directive or regulation.

14. INDEMNITY AND LIMITATION OF LIABILITY

- 14.1 Notwithstanding anything to the contrary in the CFA Trust Deed, the CFA Trustee will not be liable or responsible to any person including the Beneficiaries for any loss or damage arising from any act, default, omission, misconduct or delay on its or his part in any way in connection with or in relation to the CFA Trust Deed, except to the extent caused by its or his own fraud or willful misconduct. The Beneficiaries agree to defend, protect, hold harmless and indemnify the CFA Trustee from any such loss or damage in accordance with Clause 14.2 below.
- 14.2 Pursuant to Clauses 14.1 and 15.4 of the CFA Trust Deed, the CFA Trustee will have a right to be indemnified from the Assigned Rights for any loss, damage, liability, cost, claim, action, demand or expense that it or he may incur in the conduct of its duties or the exercise of any

rights, powers and discretions accorded to it or him under the CFA Trust Deed. In addition, the Participating Members further undertake to indemnify the CFA Trustee for any and all loss, damage, liability, cost, claim, action, demand or expense suffered or incurred by the CFA Trustee in the conduct of its duties or the exercise of any rights, powers and discretions accorded to it under the CFA Trust Deed, except to the extent caused by its own fraud or willful misconduct.

- 14.3 The Beneficiaries agree to ratify and confirm whatever the CFA Trustee does or purports to do in the exercise or purported exercise of its powers, authorities and discretions pursuant to the CFA Trust Deed.

15. APPOINTEES

- 15.1 Whenever the CFA Trustee considers it expedient in the interests of the Beneficiaries, the CFA Trustee may, in the exercise of its rights, powers and discretions under the CFA Trust Deed, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the CFA Trustee (including the receipt and payment of money).
- 15.2 Whenever the CFA Trustee considers it expedient in the interests of the Beneficiaries, the CFA Trustee may delegate to any person subject to using reasonable care in such delegation on any terms (including power to sub-delegate) all or any of its functions.
- 15.3 In relation to any asset held by the CFA Trustee under the CFA Trust Deed, the CFA Trustee may appoint any person to act as its nominee or custodian on any terms as it may determine in its sole discretion.
- 15.4 Provided that the CFA Trustee exercises reasonable care in selecting an Appointee, the CFA Trustee will not have any obligation to supervise the Appointee and will not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee. The CFA Trustee will have the right to be indemnified for any such loss, damage, liability, cost, claim, action, demand or expense incurred in accordance with Clause 14.2 above.

16. TERMINATION

- 16.1 The CFA Trust Deed, and all obligations of the CFA Trustee arising under or in connection with the CFA Trust Deed, will come to an end on the Funding Termination of the Confirmed Funding.
- 16.2 The termination of the CFA Trust Deed will not act as a waiver, release or compromise of any of the rights accrued and obligations incurred by the CFA Trustee or (as the case may be) the Beneficiaries prior to the Trust Termination Date of the CFA Trust Deed.

PART IV: MISCELLANEOUS

17. APPLICABILITY OF THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B) OF SINGAPORE

- 17.1 Unless otherwise stated in the Risk Participation Agreement, the Contracts (Rights of Third

Parties) Act (Chapter 53B) of Singapore will not under any circumstances apply to the Risk Participation Agreement and any person who is not a party to the Risk Participation Agreement (whether or not such person will be named, referred to or otherwise identified, or form part of a class of persons so named, referred to or identified, in the Risk Participation Agreement) will have no right whatsoever under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce the Risk Participation Agreement or any of its terms.

18. SEVERABILITY AND ILLEGALITY

- 18.1 If any provision of the Risk Participation Agreement or the CFA Trust Deed is not or ceases to be legal, valid, binding and enforceable under the law of any jurisdiction, neither the legality, validity, binding effect or enforceability of the remaining provisions under that law nor the legality, validity, binding effect or enforceability of that provision under the law of any other jurisdiction will be affected.
- 18.2 If any provision of the Risk Participation Agreement or the CFA Trust Deed ceases to be legal, valid, binding and enforceable but would be legal, valid, binding or enforceable if some part of the provision were deleted, the provision in question will apply with such modification(s) as may be necessary to make it legal, valid, binding and enforceable.

19. DEFINITIONS

- 19.1 Terms defined or incorporated by reference in the Platform Terms will, unless otherwise defined, have the same meanings when used in the Risk Participation Terms. In addition:

Appointee	means any agent, delegate, nominee or custodian appointed by the CFA Trustee in the manner envisioned by Clause 15 of the Risk Participation Terms, in accordance with the CFA Trust Deed.
Assigned Rights	means all rights, claims, title, interest and benefits arising from time to time under the Confirmed Funding Arrangement Documents (with the exception of the Risk Participation Agreement and the Risk Participation Arrangement), and in and to the Proceeds which have been assigned by the Participating Members to the Risk Participant pursuant to the Assignment.
Assignment	means the assignment executed in the manner envisioned by Clause 4 of the Risk Participation Terms, in accordance with the Risk Participation Agreement.
Beneficiaries	means the Participating Members who have Member Participations under Confirmed Funding Arrangement Documents as well as the SDAX Financial Entities. In accordance with Clause 1.5 of this Risk Participation Terms, the Participating Members will be identifiable only by their Member Platform Account Number, with their full details (including the Participating Members' names, their respective Member Participation and other identifiers) being available only in the Platform Master Ledger, which will be disclosable only if required by law.
Business Days	means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Singapore.

CFA Trust	means a trust declared by the Risk Participant in favour of the Participating Members in the manner envisioned by Clause 6 of the Risk Participation Terms, in accordance with the Risk Participation Agreement.
CFA Trust Deed	means the trust deed declaring the CFA Trust.
Confirmed Client	means a Client that has obtained Confirmed Funding.
Confirmed Factoring	means a Factoring that has fulfilled the relevant conditions resulting in Minterest issuing a Factoring Notification to the Client, all Participating Members and the Escrow Agent pursuant to Clause 7.1 of the Platform Terms: Factoring Terms and Conditions.
Confirmed Factoring Arrangement	means a Factoring Arrangement between a Participating Member and a Client in relation to a Confirmed Factoring.
Confirmed Factoring Documents	means, in relation to a Confirmed Factoring: <ul style="list-style-type: none"> (a) the Platform Terms (as it may be varied or amended from time to time); (b) the Factoring Arrangement between the Client and each Participating Member, in respect of its Member Participation; (c) the Factoring Facility Agreement between the Client, Minterest (acting as the Facility Agent and the Security Agent as the case may be) and such other Obligor; (d) the Risk Participation Arrangement between each Participating Member and the Risk Participant; (e) the Risk Participation Agreement between the Participating Members, the Risk Participant and the Facility Agent; (f) the Security Agent Terms between each Participating Member and Minterest; (g) the Security Documents (including, the Debenture, Deed of Guarantee and Repurchase Guarantee) granted in favour of Minterest as the Security Agent; and (h) all the other terms and conditions entered into amongst the Client, each Participating Member and Minterest.
Confirmed Funding	means a Confirmed Loan and or a Confirmed Factoring, as the case may be.
Confirmed Funding Arrangement	means a Confirmed Loan Arrangement or a Confirmed Factoring Arrangement, as the case may be.
Confirmed Funding Arrangement Documents	means the Confirmed Loan Documents or the Confirmed Factoring Documents, as the case may be.
Confirmed Loan	means a Loan to a Client that has been confirmed in accordance with Clause 7.1 of the Platform Terms: Short-Term Loan Terms and Conditions.

Confirmed Loan Arrangement	means a Loan Arrangement between a Participating Member and a Client in relation to a Confirmed Loan.
Confirmed Loan Documents	<p>means, in relation to a Confirmed Loan:</p> <ul style="list-style-type: none"> (a) the Platform Terms (as it may be varied or amended from time to time); (b) the Loan Arrangements between the Client and each Participating Member in respect of its Member Participation; (c) the Loan Facility Agreement between the Client, Minterest (acting as the Facility Agent and the Security Agent as the case may be), the Participating Members as Lenders and such other Obligor; (d) the Risk Participation Arrangement between each Participating Member and the Risk Participant; (e) the Risk Participation Agreement between the Participating Members, the Risk Participant and the Facility Agent; (f) the Security Agent Terms between each Participating Member and Minterest; (g) the Security Documents (including, the Debenture and Guarantee) granted in favour of Minterest as the Security Agent; and (h) all the other terms and conditions entered into amongst the Client, each Participating Member and Minterest.
Effective Date	means unless otherwise defined under the relevant Funding Arrangement, the date of the Loan Notification or the date of the Factoring Notification, as the case may be.
Funding Termination	means the full repayment of all Proceeds due and owing by the Confirmed Client under the Confirmed Funding Arrangement Documents.
Member Platform Account Number	means the number assigned and tagged to each Member upon registration of their Member Platform Account, which will serve as the identifier of each Member henceforth from the registration, in relation to (among other things) any activities utilising the Platform, within any Confirmed Funding Arrangement Document and any CFA Trust Deed.
SDAX Financial Entities	means Minterest, Minterest Capital Pte. Ltd. and any other entity that is an affiliate or subsidiary of SDAX Financial.
SDAX Financial	means SDAX Financial Pte. Ltd. (fka Minterest Holdings Pte. Ltd.) (Company Registration No. 201801200W), a private company limited by shares incorporated and existing under the laws of Singapore, whose registered address is at 5 Temasek Boulevard #12-01 Suntec Tower Five, Singapore 038985.
Party	means a party to the Risk Participation Agreement.

Platform Master Ledger	means, in relation to a Confirmed Funding, the ledger containing the personal details of the Participating Members with Member Participations in that Confirmed Funding, which includes <i>inter alia</i> details such as the name of the Participating Members, and the amount of their respective Member Participations. A copy of the Platform Master Ledger will be held by Minterest and the Risk Participant, respectively.
Pro-Rata Proceeds Share	means the percentage of the Proceeds each Participating Member who is a Beneficiary is entitled to in proportion to their respective Member Participation (as recorded on the Platform Master Ledger).
Proceeds	means the amounts paid by a Client pursuant to the terms of the Confirmed Funding Arrangement Documents and such other applicable terms.
Risk Participant	means, in respect of a Confirmed Funding Arrangement, the SDAX Financial Entity that will enter into the Risk Participation Agreement and the Risk Participation Arrangement.
Risk Participation Agreement	means the agreement to be entered into by the Participating Members and a Confirmed Client in relation to a Confirmed Funding, in which the Participating Members assign their rights, claims, title, interest and benefits from time to time under the Confirmed Funding Arrangement Documents (with the exception of the Risk Participation Agreement and the Risk Participation Arrangement) and in and to the Proceeds to the Risk Participant.
Risk Participation Arrangement	means the arrangement as described in Clauses 1.3 and 1.4 of the Risk Participation Terms.
Trust Termination Date	means the date the CFA Trust Deedis terminated in the manner envisioned by Clause 16 of the Risk Participation Terms in accordance with the CFA Trust Deed.
Trustees Act	means the Trustees Act (Cap 337, 2005 Revised Edition) of the Republic of Singapore.