



WHEN TRUST MATTERS



RUBY BOND TRUST 2022-1 GREEN RMBS



Document title: Second Party Opinion on BC Group's Green RMBS 2022

Prepared by: DNV Business Assurance Australia Pty Ltd.

Location: Sydney, Australia

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

The BC Group is a diversified financial services group, founded in 2015, and headquartered in Hong Kong SAR. The BC Group is today one of the fastest growing non-bank lenders in the Asia Pacific region, offering secured, residential and commercial mortgage lending to resident and non-resident Australian borrowers, small-medium business enterprises, and self-managed superannuation fund investors.

The BC Group specialises in mortgage lending and maintains strict lending criteria and originations standards. Loan receivables are secured by first mortgages over residential or, where applicable, commercial real property.

BC Investment Management Pty Ltd (the **Investment Manager**) is a wholly owned subsidiary of BC Group Holdings. BC Investment Management Pty Ltd (Authorised Representative of BC Capital Pty Ltd) is the manager of the BC Invest Australian Credit Fund series and of each special purpose vehicle established by the BC Group to enter into securitisation transactions, including the Ruby Bond Trust 2022-1. The Investment Manager has an investment team that has extensive experience in real estate backed or other asset backed investments and uses this expertise to execute each Fund's investment strategy and seek to meet each Fund's investment objective.

The BC Group recognises that many of their stakeholders, including clients, colleagues and partners, wish to pursue the achievement of the UN's Sustainable Development Goals (**SDGs**) and the goals of the Paris Agreement.

The BC Group have developed a Green Financing Framework (the **Framework**) to demonstrate how certain financial instruments (**Green Instruments**) will finance the transition to a low carbon economy and future sustainability, and thereby contribute to the achievement of the SDGs and the goals of the Paris Agreement. Under this Framework the Ruby Bond Trust 2022-1 is proposing to issue Green Instruments which will take the form of Green RMBS Notes.

DNV Business Assurance Australia Ltd (**DNV**)² has been commissioned by BC Group to review the proposed Green RMBS Notes (Class A1-AU-G Notes, Class B-G Notes and Class C-G Notes (the **Notes**) to be issued by Perpetual Corporate Trust Limited as trustee of the Ruby Bond Trust 2022-1) and provide a Second Party Opinion on the Notes in relation to alignment with the Green Bond Principles 2021 (**GBP**) published by the International Capital Market Association (**ICMA**).

No assurance is provided regarding the financial performance of instruments issued via the BC Group Framework or from the Ruby Bond Trust 2022-1, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of BC Group and DNV

The management of BC Group has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform BC Group management and other interested stakeholders in the Framework and the Notes as to whether the Framework and the Notes are aligned with the GBP. In our work we have relied on the information and the facts presented to us by BC Group. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by BC Group's management and used as a basis for this assessment were not correct or complete.

² <https://www.dnv.com/>

Basis of DNV's opinion

We have adapted our assessment methodology to create the BC Group-specific Eligibility Assessment Protocol (henceforth referred to as **Protocol**). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Instrument must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green Instrument should outline the process it follows when determining eligibility of an investment using Green Instrument proceeds, and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a Green Instrument should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by BC Group in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by BC Group on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by BC Group and BC Group's website;
- Discussions with BC Group's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings are listed below:

1. Use of Proceeds

The proceeds from the issuance of the Green RMBS Notes by Ruby Bond Trust 2022-1 under the BC Group Green Financing Framework will finance or refinance projects and expenditures that meet the definition of Eligible Green Projects. The Framework defines the following eligible project categories.

Eligible Green Project Categories

- Green Buildings

DNV undertook an analysis of the associated securities to determine the eligibility as "Green" in line with the GBP. BC Group has provided tables mapping its Eligible Green Categories with the United Nations Sustainable Development Goals (**UN SDGs**). The outlined types of project and associated selection criteria are provided in the Framework in order to determine eligibility.

DNV concludes that the eligible projects nominated under the Framework are consistent with the categories outlined in the GBP.

2. Process for Project Evaluation and Selection

The Framework describes the process for project evaluation and selection. The Framework states that BC Group will have a dedicated Funds Management Investment Committee (**FMIC**) and ensure that eligible projects and assets are reviewed and selected in accordance with the eligible project category and exclusion list presented in the Framework.

DNV concludes that BC Group's Framework appropriately describes the process of project evaluation and selection.

3. Management of Proceeds

The Framework states that the net proceeds from Green Instruments issued under the Framework will be tracked, and all Green Receivables will be subject to internal monitoring and reporting processes, whether or not they have been directly or indirectly financed or refinanced by Green Instruments, to internally verify on a quarterly basis whether the net proceeds of all Green Instruments have been fully allocated against eligible Green Receivables.

The BC Group commits to tracking the receipt and use of proceeds from issuance of Green Instruments via its Capital information system. The BC Group intends to monitor the allocation of proceeds from issuances of Green Instruments on an aggregated basis. This involves the maintenance of a single common pool of Green Receivables against which the proceeds from all Green Instruments will be collectively allocated. The BC Group will also separately monitor and report on the allocation of proceeds from the issuances of the Notes as the proceeds will be earmarked against a unique closed pool of Green Receivables.

The Framework states that the BC Group will ensure that at all times the aggregate net asset value of the Green Portfolio will be sufficient to support the issuance of the Green Instruments. As at the issue date of the Notes, the book value of the assets of the Ruby Bond Trust 2022-1 comprising Green Receivables will at least equal the outstanding principal amount of the Class A1-AU-G Notes, the Class B-G Notes and the Class C-G Notes. If the ongoing book value of the assets of the Ruby Bond Trust 2022-1 comprising Green Receivables at any time falls below the outstanding principal amount of the Class A1-AU-G Notes, the Class B-G Notes and the Class C-G Notes, the Manager may address the shortfall by earmarking additional Green Receivables in the BC Group's internal loan system against the Class A1-AU-G Notes, the Class B-G Notes and/or the Class C-G Notes.

A facility has been developed by the BC Group to tag Green Receivables in its loan system. The BC Group has reviewed, and tagged where appropriate, a portion of its existing assets and will continue to review the remainder of its existing assets. This register will also be updated as assets are added or removed from the BC Group's loan system.

The BC Group does not intend to have any unallocated proceeds during the life of any Green Instruments. Instead, the BC Group intends to maintain a Green Portfolio (which may incorporate segregated RMBS or Fund portfolios) of

relevant Green Receivables having an aggregate net asset value which is larger than the aggregate amount outstanding under all Green Instruments. The proceeds of the issuance of the Notes will be fully allocated at issue date to, directly or indirectly, refinance a predetermined portfolio of Green Receivables and accordingly there will be no unallocated proceeds during the term of the Notes.

DNV has reviewed the evidence presented and can confirm that the proceeds arising from the Notes and future issuances will be appropriately managed.

4. Reporting

BC Group have established internal reporting which will be updated quarterly. It will include the following information:

- the net proceeds of each Green Instrument
- the amount outstanding under each Green Instrument
- the net asset value of all Green Receivables
- the net asset value of the Green Receivables to which the net proceeds of each Green Instrument have been allocated, and
- details of any unallocated Green Instrument proceeds and temporary investments.

On an annual basis while any the Notes are outstanding or in case of material changes, the BC Group will prepare and publish a Green Financing Annual Report which will be made available on the BC Group website: <https://www.bcinvest.co/>.

The Green Financing Annual Report will contain details on allocation reporting, eligibility reporting, and impact reporting. Information on the Green Financing Framework, Second Party Opinion, External Review, and Green Financing Annual Report will be made available on the BC Group website <https://www.bcinvest.co/>.

DNV concludes that BC Group's reporting is also aligned with the relevant principles.

On the basis of the information provided by BC Group and the work undertaken, it is DNV's opinion that the Ruby Bond Trust 2022-1's Green RMBS Notes (Class A1-AU-G Notes, Class B-G Notes and Class C-G Notes) meet the criteria established in the Protocol and are aligned with the GBP. Please refer to Schedule 4. Green Bond/Green Loan Programme External Review Form for detailed information.

for DNV Business Assurance Australia Ltd.

Sydney, Australia / 25 March 2022



Mark Robinson
Lead Reviewer



David McCann
Technical Reviewer

Schedule 1. Description of Categories to be financed or refinanced through BC Group's Green Financing Framework

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Green Buildings	<p>(Australia) Residential buildings having a rooftop solar installation satisfying the minimum capacity requirements for the dwelling type, location and other relevant characteristics of the dwelling²; plus Where the Simplified Rooftop Solar Proxy is adopted, financing was confirmed prior to 30 June 2022.</p> <p>(NSW) Houses approved after 31 July 2005 (or, where the approval date is unknown, house construction was completed after 31 January 2007). Apartments with a minimum BASIX Energy score of 40.</p> <p>(VIC) Houses and apartments approved after 31 May 2011 (or, where the approval date is unknown, construction was completed after 30 November 2012); plus a minimum NatHERS rating of 6 Stars.³</p> <p>(Australia) Minimum 5.5 Star NABERS Energy Rating. Houses and apartments that have achieved a minimum NatHERS rating of 7.0. Minimum 5 Star Green Star rating Green Star Homes certification, plus Compliance with either Renewable Energy Pathway A or Renewable Energy Pathway B, plus No swimming pool.</p>	<ul style="list-style-type: none"> • DNV considers the stated projects to be aligned with the GBP guidelines regarding Green Buildings; “Buildings that meet regional, national or internationally recognized standards or certifications for environmental performance.” • DNV notes that BC Group has demonstrated a project selection process sufficient to meet the requirements set out under the GBP and has procedures in place to adapt and screen projects aligning with the GBP. • DNV conducted testing across a sample of Loans within the RMBS pool cut. DNV was able to track and confirm the details of the loans as being qualifying under the criteria and consistent with the underlying documentation. These included a sample of 25 loans evaluated and four loans (two from NSW and two from VIC) where loan particulars were cross checked with both underlying and available documentation.

Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Green Buildings	<p>SDG 7 Affordable and Clean Energy</p> <ul style="list-style-type: none"> • 7.3 By 2030, double the global rate of improvement in energy efficiency. <p>SDG 9 Industry, Innovation and Infrastructure</p> <ul style="list-style-type: none"> • 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies. <p>SDG 11 Sustainable Cities and Communities</p> <ul style="list-style-type: none"> • 11.3 By 2030, enhance inclusive and sustainable urbanization. • 11.6 By 2030, reduce the adverse per capita environmental impact of cities. 	<p>DNV is of the opinion that eligible project category outlined in the Framework contributes to the achievement of the UN SDGs.</p>

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond / loan	<p>The Green Instrument must fall in one of the following categories, as defined by the Green Bond Principles and Green Loan Principles:</p> <ul style="list-style-type: none"> Green Use of Proceeds Bond Green Use of Proceeds Revenue Bond Green Project Bond Green Securitized Bond Loan instrument made available for Green project 	<p>The BC Group's Green Financing Framework clearly describes Green Instruments that fall in Residential Mortgage Backed Securities (RMBS), green bonds or loans, Green Notes, Green Units, and other forms of debt financing. BC Group also clarifies that the Framework has been developed based on the most up-to-date principles such as GBP 2021.</p> <p>From the Framework</p> <p><i>BC Investment Group Holdings Limited (BC Group Holdings), working with Metrics Credit Partners Pty Ltd as Sustainability Coordinator, has developed this Green Financing Framework (Framework) under which members of the BC Group, including RMBS Issuers and Funds..., will be able to enter into transactions (Green Transactions) to, directly or indirectly, finance or refinance the origination or purchase of Green Receivables.</i></p>
1b	Green Project Categories	<p>The cornerstones of Green Instruments are the utilization of the proceeds of instrument which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project category presented by BC Group is as follows:</p> <p>Green Categories</p> <ul style="list-style-type: none"> Green Buildings <p>The Framework also specifies the eligible projects by adding the exclusion list in it.</p> <p>From the Framework</p> <p><i>BC Group's strategy and products are targeted towards home loan borrowers and therefore BC Group commits to not knowingly being involved in financing any of the following activities through the proceeds of any Green Transaction: weapons, gambling, tobacco, predatory lending, adult entertainment, alcohol, animal cruelty or fossil fuel production.</i></p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>DNV considers that the environmental benefits are well described in the section by selecting environmentally beneficial projects from the start, which is closely aligned with Climate Bonds Initiative, EU Taxonomy or any other relevant international standards, reinforced later by quantitative indicators in the Impact Reporting.</p> <p>DNV has verified through review of supporting documentation and publicly verifiable information that the nominated projects and assets relate to eligible projects.</p> <p>DNV conducted the verification on a sample of 25 Mortgage loans testing:</p> <ul style="list-style-type: none"> Type of dwelling; State; Year Built; Postcode; Loan Value; <p>DNV further tracked the last four loans to the site level with cross referencing conducted for property sales and building construction. All samples were consistent with the listed loan documentation. DNV confirmed that the sampling conducted confirmed that the information presented regarding loan</p>

Ref.	Criteria	Requirements	DNV Findings
			<p>eligibility was confirmed to be accurate in all cases and consistent with available data.</p> <p>DNV was able to confirm compliance with the Framework criteria guidance for all tested samples and confirmed the rationale and assumptions made as being conservative and reasonable.</p>
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<p>The BC Group Framework indicates the categories of projects refinancing may cover. It also presents a look-back period of 36 months for the case of refinancing where the proceeds of such Green Instruments are earmarked against unique closed pools of Green Receivables.</p> <p>From the Framework</p> <p><i>The issuance of Green Instruments by members of the BC Group under this Framework will contribute towards sustainable development as the proceeds will, directly or indirectly as part of the BC Group's funding cycle, finance or refinance, projects and expenditures that meet the definition of Green Buildings in this Framework and deliver positive environmental outcomes.</i></p> <p>The refinancing share of the Green RMBS Notes would be 100%.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Instrument should outline the decision-making process it follows to determine the eligibility of projects using Green Instrument proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles and Green Loan Principles; The criteria making the projects eligible for using the Green Instrument proceeds; and The environmental sustainability objectives. 	<p>The Framework states that BC Group has a dedicated Funds Management Investment Committee which is responsible for developing and overseeing the evaluation and selection process.</p> <p>From the Framework</p> <p><i>The BC Group has developed a governance process which is intended to facilitate alignment of each Green Project (as defined in the Green Loan Principles and Green Bond Principles) with the EU Taxonomy:</i></p> <ul style="list-style-type: none"> <i>Substantial contribution to environmental objectives: achieved through the development and application of the eligibility criteria in section 1;</i> <i>Do no significant harm to environmental objectives: achieved through due diligence on the compliance of the Green Building with local building codes and environmental regulations;</i> <i>Minimum safeguards: achieved in each relevant jurisdiction through due diligence on the compliance of the Green Building with local laws and regulations;</i> <i>Meeting the technical screening criteria: achieved through due diligence on the environmental condition of the Green Building including attention to contamination and other risks.</i>

Ref.	Criteria	Requirements	DNV Findings
2b	Issuer/borrower's environmental and social and governance framework	In addition to information disclosed by an issuer on its Green Instrument process, criteria and assurances, Green Instrument investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental and social sustainability.	<p>BC Group recognises that many stakeholders wish to pursue the achievement of the UN's Sustainable Development Goals and the goals of the Paris Agreement. BC Group developed their framework to demonstrate how their Green Instruments will finance the transition to a low carbon economy and future sustainability and thereby contribute to the achievement of the UN's SDGs and the goals of the Paris Agreement.</p> <p>BC Group recognises that investing in low emissions or zero emissions buildings will play an essential role in contributing to the Paris Agreement goals.</p> <p>The Framework outlines BC Group's commitment to contributing to limiting the global average temperature rise to no more than 2 degrees Celsius above pre-industrial levels by reducing greenhouse gas emissions in the buildings sector.</p> <p>From the Framework</p> <p><i>The BC Group's business model focusses on lending that is secured by predominantly newly constructed properties located in Australia, primarily New South Wales and Victoria where the applicable building codes incorporate features that promote energy efficiency. The high proportion of newly constructed properties located in New South Wales and Victoria means, we believe, that the BC Group's portfolio is more energy efficient than a typical residential loan portfolio.</i></p> <p>After reviewing relevant documents and communication with BC Group, DNV has found nothing to suggest BC Group's Green Financing Framework is not in line with good practice of the industry in which it operates.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	The net proceeds of Green Instrument should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green Projects.	<p>The evidence reviewed shows how BC Group plans to trace the proceeds from Green Instruments, in accordance with the evaluation and selection process presented.</p> <p>From the Framework</p> <p><i>The BC Group commits to tracking the receipt and use of proceeds from issuance of Green Instruments via its Capital information system. The BC Group intends to monitor the allocation of proceeds from issuances of Green Instruments on an aggregated basis. This involves the maintenance of a single common pool of Green Receivables against which the proceeds from all Green Instruments will be collectively allocated. The BC Group may separately monitor and report on the allocation of proceeds from issuances of Green Notes in securitised bond format and/or Green Units where the proceeds of such Green Instruments are earmarked against unique closed pools of Green Receivables.</i></p> <p>From the Information Memorandum</p> <p><i>The Manager intends to, on the Closing Date, direct the Issuer to use the proceeds of issuance of the Class A1-AU-G Notes, the Class B-G Notes and the Class C-G Notes to acquire, as part of the pool of Trust Receivables to be acquired on the Closing Date, certain Receivables which comprise indebtedness incurred to finance Eligible Green Projects.</i></p>

Ref.	Criteria	Requirements	DNV Findings
			DNV concludes that this is consistent with the criteria on tracking in the GBP.
3b	Tracking procedure	So long as the Green Instrument is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>BC Group has in place a tracking procedure that leverages existing financial and investment reporting systems.</p> <p>From the Framework</p> <p><i>Tracking and quarterly reporting</i></p> <ul style="list-style-type: none"> • <i>Tracking and reporting on Green Receivables and management of Green Instrument proceeds.</i> • <i>Underlying portfolio of assets tracked by the Servicer and Investment Manager in its loan system or directly from the applicable BC loan trust warehouse, specifically but not limited to the BCMT 2 Warehouse.</i> <p>DNV considers this to be well aligned with the GBP criteria.</p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>BC Group does not intend to have any unallocated proceeds during the life of any Green Instruments. BC Group will maintain a Green Portfolio of relevant Green Receivables having an aggregate net asset value larger than the aggregate amount outstanding under all Green Instruments.</p> <p>From Framework</p> <p><i>Where a Green Transaction is entered into to refinance, and not to finance, Green Receivables, it is anticipated that the net proceeds of such Green Transaction (or an amount equal to those unallocated proceeds) will be fully allocated at issue date to, directly or indirectly, refinance a portfolio of Green Receivables and accordingly that there will be no unallocated proceeds during the term of the relevant Green Instruments.</i></p> <p>DNV considers this to be well aligned with the GBP criteria.</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Instrument proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmental impact.	<p>BC Group confirmed via their Green Financing Framework that they will report on an annual basis on any Green Instruments that are outstanding, or on any material change made. The information will be published in a Green Financing Annual Report, made available on the BC Group website https://www.bcinvest.co/</p> <p>From the Framework</p> <p><i>The Green Financing Annual Report will contain at least the following details:</i></p> <p>Allocation Reporting:</p> <ul style="list-style-type: none"> • <i>Details of Green Instruments issued during the reporting period, including issuer name and ISIN (if applicable).</i> • <i>Amount outstanding under each Green Instrument outstanding at the reporting date.</i>

Ref.	Criteria	Requirements	DNV Findings
			<ul style="list-style-type: none"> • <i>A description of the Green Receivables financed or refinanced by such Green Instruments, and the net proceeds allocated to those Green Receivables.</i> • <i>Amount of unallocated proceeds (if any) and details of any temporary investments.</i> • <i>Name of external reviewer.</i> <p>Eligibility Reporting: <i>Confirmation that the Green Receivables meet the relevant eligibility requirements, including in this Framework, and information on the green building certifications (if applicable) and/or sustainability performance of the relevant Green Buildings.</i></p> <p>Impact Reporting: <i>The BC Group will endeavour to follow the impact reporting guidelines detailed in the Green Loan Principles, Green Bond Principles, and, where relevant, the Climate Bonds Standard. Subject to confidentiality and availability of information, this may include qualitative and/or quantitative reporting of the environmental impacts resulting from Green Receivables financed or refinanced by the Green Instruments e.g., the number of home loans financed or refinanced, the nature of green building certifications achieved.</i></p> <p>In particular, by adding quantitative impact indicators in the Framework, BC Group commits to disclose the expected environmental impact.</p>

Schedule 4. Description of Nominated Assets

BC Investment Management Pty Ltd has provided a schedule of initial nominated projects and assets for the proposed issuance in AUD which may be summarised as follows:

Asset Type/s	Country	State	Category	Eligible Asset Pool ("Green Portfolio")
Green Buildings	Australia	NSW, VIC	Apartment, House	AUD 221,188,905.90
TOTAL ELIGIBLE ASSET PORTFOLIO:				AUD 221,188,905.90

Schedule 5. Green Bond / Green Loan Programme External Review Form

Section 1. Basic Information

Issuer name:

BC Investment Group Holdings Limited ("BC GROUP")

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

BC Invest Green Financing Framework 24 March 2022

Independent External Review provider's name:

DNV Business Assurance Australia Ltd.

Completion date of this form:

24 March 2022

Publication date of review publication:

24 March 2022

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

On the basis of the information provided by BC Group and the work undertaken, it is DNV's opinion that the BC Group's Green Financing Framework meets the criteria established in the Protocol and are aligned with the stated definition of green bonds/loans within the GBP.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The proceeds from issuance of the Green RMBS Notes by the Ruby Bond Trust 2022-1 of the BC Group under the Framework will, directly or indirectly as part of BC Group's funding cycle, finance or refinance projects and expenditures that meet the definition of Green Buildings in the Framework.
DNV concludes that the BC Group's Framework is aligned with the GBP.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBPs: EU Taxonomy and Climate Bonds Taxonomy

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):
 The proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV reviewed the Framework which describes the process through which projects are evaluated and selected. DNV can confirm the proceeds of Green Instruments go through a well-placed internal process for evaluation and selection. The Funds Management Investment Committee will ensure potential projects and assets are reviewed and selected in accordance with the selection criteria.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Instrument proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):
 The Framework states that the proceeds from the Green Instruments will be allocated to Green Receivables, which are secured by properties that meet the Green Buildings eligibility criteria. It also describes that BC Group will track the receipt and use of proceeds from issuance of Green Instruments via its Capital information system. BC Group does not intend to have any unallocated proceeds during the life of any Green Instruments. DNV can confirm that the proceeds arising from future issuances will be appropriately managed.

Tracking of proceeds:

- Green Instrument proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other *(please specify)*:

Additional disclosure:

- | | |
|---|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):
 BC Group intends to publish a report on the use of proceeds and impacts annually. The report will be made available on the BC Group's website.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Instrument financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (please specify): |
| | <input type="checkbox"/> |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): BC Group will post the allocation/impact reports on the BC Group's website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.bcinvest.co/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

DNV Business Assurance Australia Ltd.

Date of publication:

25 March 2022

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- 1. Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2. Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3. Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4. Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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