

Sustainability, Social and Green Bond Framework for Symbiotics bonds

Dated 19 December 2019

This document contains the Sustainability, Social and Green Bond Framework of Micro, Small & Medium Enterprises Bonds S.A. for Symbiotics bonds.

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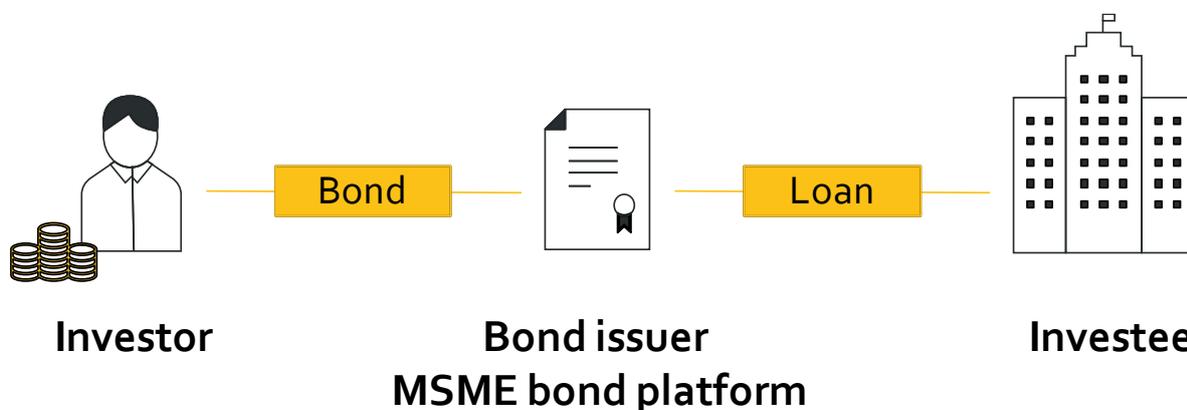
1) Introduction

This document is the Sustainability, Social and Green Bond Framework (“the **Framework**”) of Micro, Small & Medium Enterprises Bonds S.A. (“**MSME**”). The Framework has been drafted in accordance with the International Capital Market Association (“**ICMA**”) Green Bond Principles 2018 (“**GBP**”), Social Bond Principles as published by ICMA in June 2018 (“**SBP**”) and the Sustainability Bond Guidelines as published in June 2018 (“**SBG**”) and has been verified through a second party opinion by DNV GL. The Framework provides MSME with the ability to issue either Green Bonds, Social Bonds or Sustainability Bonds as defined by the ICMA documents referred to above.

a) Company Overview

MSME is set-up as a securitization company, domiciled in Luxembourg and subject to supervision by the Luxembourg regulator. Its main activity is to grant loans to financial institutions in emerging and frontier markets and to issue bonds which repack such loans. Since inception in 2010, MSME has issued bonds with a notional amount in excess of USD 1.5 bn. Bonds are distributed to predominantly European professional investors.

MSME is sponsored by Symbiotics SA (“**Symbiotics**”), an asset management firm based in Switzerland and regulated by the Swiss financial market supervisory authority (“**FINMA**”), which also acts as the servicer and calculation agent of the loans granted by MSME. As part of the origination service, Symbiotics performs a credit risk scoring and prepares a social responsibility rating for each prospective borrower.



Founded in 2004, Symbiotics is a leading investment company dedicated to inclusive and sustainable finance. Symbiotics (i) arranges financing for microfinance institutions, small and medium enterprise (“**SME**”) banks, and other financial institutions that serve micro-, small, and medium enterprises or low- and middle income households (leasing or factoring companies, housing finance companies, education finance companies, etc.), as well as corporate and individual projects (“**Investees**” or “**Borrowers**”) located primarily in emerging and frontier markets and (ii) manages different types of mandates (collective portfolio management, advisory, portfolio development finance) and thematic funds for institutional clients (“**Investors**”) that look for exposure to the aforementioned Investees.

Since incorporation Symbiotics has provided over USD 4.8 billion of financing through 4,900 loans to 275 institutions in 83 countries. With a staff of over 150 people in 8 offices worldwide, Symbiotics has become a reference point for impact investing in emerging and frontier markets.

b) Impact and sustainability strategy

Bonds issued by MSME are subject to the origination criteria of Symbiotics, including Symbiotics' impact and sustainability filters. Specifically, Symbiotics assigns a social responsibility rating to each Investee based on a proprietary social responsibility rating methodology.

Symbiotics is strongly committed to sustainable development. As early as 2004, Symbiotics developed and implemented its sustainability strategy. Following this strategy, Symbiotics offers professional investors the opportunity to provide access to capital to people at the "bottom of the pyramid" whilst earning a financial and social return. By promoting the democratisation of access to capital to micro-, small- and medium-sized enterprises and/or low- and middle-income households in emerging and frontier markets, its investments aim to contribute to poverty alleviation and a sustainable form of globalization. This has proven to be a useful and important tool for promoting sustainable development, as well as income generation in emerging markets, strengthening and boosting long term economic growth.

Each investment arranged by Symbiotics needs to comply with the following criteria of its social charter:

- Target primarily domestic markets in emerging and frontier economies;
- Invest in the real economy, promoting the social function of finance and seeking long-term value creation;
- Integrate sustainability or social responsibility ratings, using environmental, social and governance (ESG) norms, in the investment process;
- Benefit low- and middle-income households and micro, small and medium enterprises
- Foster job creation and access to primary goods, such as homes, food and energy.

These investments contribute to achievement of the Sustainable Development Goals (SDGs) that were adopted by all the member states of the United Nations.

2) The Framework

The Framework is aligned with the GBP, SBP and SBG and allows MSME to issue Sustainability, Social and Green Bonds.

For each bond which is issued under this Framework, MSME will designate such bond as either a Sustainability, Social or Green Bond (as applicable) and ensure that the relevant underlying loan complies with the criteria as laid out in this Framework.

MSME will ensure that the relevant underlying loan complies with the criteria as laid out in this Framework by:

- 1) Applying a use of proceeds provision in respect of the underlying loan, as further laid out in section (a) below;
- 2) Requiring Symbiotics (in its capacity as origination agent of the relevant underlying loan) to apply its origination criteria and origination process for a Sustainability, Social or Green Bond (as applicable), as further laid out in section (b) below; and
- 3) Requiring Symbiotics (in its capacity as the monitoring agent of the underlying loan) to gather impact reporting indicators on a best effort basis as further laid out in Annexes I and II.

Subject to compliance with the above, underlying loans can be granted to financial institutions, project finance structures or asset-backed financings, and can be in the form of term loans, revolving credit facilities, or other types of debt. Further, participations in loans with unilateral or multilateral development banks or reputable financial institutions whereby the participation satisfies the above criteria is also permitted under this Framework.

a) Use of proceeds

Each underlying loan to which this Framework applies shall have a use of proceeds provision, whereby the proceeds of such loan are used by the Borrower thereunder solely to (re)finance Eligible Projects, as further laid out in this section.

A distinction is made between Eligible Green Projects and Eligible Social Projects (together defined as “**Eligible Projects**”).

Eligible Projects may include existing loans that have been outstanding for no more than 5 years as of the date of the specific bond issuance.

Eligible Green Projects: Projects in the following categories can be considered for inclusion as Eligible Green Projects:

- A. Renewable Energy
- B. Energy Efficiency
- C. Clean Transportation
- D. Green Buildings
- E. Pollution prevention and control
- F. Agriculture, forestry and land use
- G. Sustainable water and wastewater management

A detailed overview on Eligible Green Projects and Reporting is included in Annex I.

Eligible Social Projects: Projects in the following categories can be considered for inclusion as Eligible Social Projects. These projects target low- and medium-income households and MSME in emerging and frontier markets:

- A. Access to Financial services
- B. Affordable housing
- C. Employment generation
- D. Affordable Health and Education

E. Food security

A detailed overview on Eligible Social Projects and their reporting is included in Annex II.

Symbiotics may impose restrictions on the Eligible Project based on its own internal assessment which can be stricter compared to this Framework. Potential restrictions depend on the specific characteristics of each Investee and need to be approved by Symbiotics Sustainability, Social and Green Bond Committee, as further described in section (b) below.

Symbiotics follows its standard exclusion list in this framework (which equals IFC's exclusion list). This list includes but is not limited to the below group of activities:

- Production of or trade in any product or activity deemed illegal under applicable laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs¹, wildlife or products regulated under CITES²;
- Production or trade in weapons and munitions;
- Production or trade in alcoholic beverages (excluding beer and wine);
- Production or trade in tobacco;
- Gambling, casinos and equivalent enterprises;
- Pornography and/or prostitution;
- Activities involving or relating to racist and/or anti-democratic media;
- Activities leading to the destruction of High Conservation Value Areas³;
- Production or trade in radioactive materials; this does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where Symbiotics considers the radioactive source to be trivial and/or adequately shielded;
- Production or trade in unbounded asbestos fibres; this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%;
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length;
- Production or activities involving harmful or exploitative forms of forced labour⁴/harmful child labour⁵ or any form of human trafficking;
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals; "hazardous chemicals" include gasoline, kerosene, and other petroleum products;
- Production or activities and leading to cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations; and
- Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.

¹ Polychlorinated biphenyls—a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985

² Convention on International Trade in Endangered Species of Wild Fauna and Flora

³ An area designated on the basis of High Conservation Values (HCVs) which are biological, ecological, social or cultural values considered outstandingly significant at the national, regional or global level

⁴ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

⁵ Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development

b) Criteria and Process for Project Evaluation and Selection

For each bond to which this Framework applies, MSME will require Symbiotics to apply its criteria and process for the origination of a Sustainability, Social or Green Bond, as described below.

Symbiotics has formed a Sustainability, Social and Green Bond Committee (“The Committee”) which will be responsible for approving the selection of the Borrowers and Eligible Social or Green Projects for financing through any Sustainability, Social or Green Bond issuance. The Committee makes its decision on a majority basis and consists of one senior member of the following divisions:

- Management (Managing or Executive Director)
- Risk and Compliance
- Impact (sustainability assessment)

The Committee will meet prior to the issuance of any Sustainability, Social or Green Bond.

Symbiotics’ loan selection process divides potential projects into the following categories:

- High/Medium/Low probability to positively contribute to climate change mitigation and/or adaptation and/or to the achievement of other social goals
- High/Medium/Low risk of having negative environmental or social impacts

This assessment takes into account a number of quantitative and qualitative measures applied by Symbiotics’ Markets analysts, Investments analysts, Impact analysts and external specialists where necessary.

For each Borrower Symbiotics prepares a Social Responsibility Rating. This rating consists of a scale from 1 to 5 stars and captures 7 dimensions being: (i) Social Governance, (ii) Labour Climate, (iii) Financial Inclusion, (iv) Client Protection, (v) Product Quality, (vi) Community Engagement and (vii) Environmental Policy.

c) Management of proceeds

The net proceeds of the Sustainability, Social or Green Bond will be on-lent to the Borrower by MSME in accordance with the terms of an underlying loan.

Therefore, the management of the proceeds will take place at the level of the Borrower. Each Borrower to which this Framework applies will be contractually required to hold the proceeds of the underlying loan in a sub-account or to otherwise track the funds in its internal systems.

Each underlying loan made available can have one or more Eligible Green Projects and/or Social Projects that the Sustainability, Social or Green Bond finances. The Borrower will ensure and will make a repeating representation that each Eligible Project is not funded by more than one financing instrument, to avoid double counting of Eligible Projects.

MSME will distribute the full bond proceeds (directly or indirectly) to the Borrower. Pending full allocation of the bond proceeds to Eligible Projects the Borrower may be required to hold these unallocated proceeds in cash or other short-term money market instruments.

If the underlying Eligible Project is prepaid or no longer qualifies as an Eligible Green Project or Eligible Social Project, the Borrower has the possibility to replace the ineligible or prepaid project with an Eligible Project. If the Borrower fails to replace the project within a reasonable period, then it will either (i) be required to prepay the part of the loan that is not covered by the Eligible Project within one year, or (ii) such failure constitutes an event of default under the terms of the loan.

d) Reporting

On an annual basis MSME will produce Sustainability, Social and/or Green Bond Use of Proceeds Reports (“**Report**”) per bond issuance. This Report will provide details on bond by bond basis of the use of proceeds of each Green, Social and Sustainability Bond issued by MSME and which are still outstanding.

This Report will contain details of:

- Allocation of funds by eligible project category and optionally for each bond issue some examples of loans financed
- The amount of unallocated cash or cash equivalents
- If available, a breakdown of the countries where the funds have been deployed

Further, wherever possible MSME will ensure that Symbiotics may also provide impact reporting in respect of the projects financed. Such impact reporting will follow the recommendations outlined in the ‘Harmonized Frameworks for Impact Reporting’ for Green and Social Bonds published by the Green and Social Bond Principles respectively.

MSME will endeavour to ensure that Symbiotics provides ex-ante impact estimates on a project by project basis where this is possible. If quantitative measures are not available then Symbiotics will try to produce qualitative assessments. MSME will also endeavour to ensure that Symbiotics will produce ex-post impact measurements wherever possible.

3) External review

a) Second party opinion

MSME has commissioned a Second Party Opinion for its Framework from DNV GL who has confirmed that the Framework complies with the Sustainability Bond Guidelines. This Second Party Opinion as well as the Framework will be made available to the Investors on [Luxembourg Green Exchange].

b) External verification

MSME may request on an annual basis an external verification on each or a specific bond issued under its Framework. In such case the verification may be provided starting one year after the issuance of or after the full amount has been allocated to Eligible Projects. Such external verification may be provided by an auditor or an external expert.

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This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by MSME nor Symbiotics and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by MSME nor Symbiotics as to the fairness, accuracy, reasonableness or completeness of such information.

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4) Annex I - Green Eligibility and Reporting

The Green Eligibility and Reporting is applicable to standard Green Projects. Given the local differences in regulation, an alternative reporting standard may apply as decided upon on a project-by-project basis.

Eligible Category	Eligible Sub-category	Key potential reporting indicators*
Renewable Energy	<ul style="list-style-type: none"> • Wind power • Geothermal power • Solar power (concentrated solar power, photovoltaic power) • Biomass or biogas power • Ocean power (e.g. wave, tidal, ocean currents, salt gradient) • Hydropower plants (>25MW plants are assessed on a case-by-case basis) 	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent; • Annual renewable energy generation in MWh/GWh;
Energy efficiency	<ul style="list-style-type: none"> • New refurbished buildings • Energy storage • District heating • Smart grids • Appliances and products 	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh; • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent;
Clean transportation	<ul style="list-style-type: none"> • Electric, hybrid, public, rail and non-motorised transportation, • Infrastructure for low-carbon transport (e.g. clean energy vehicles) and reduction of harmful emissions 	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent; • Reduction of air pollutants
Green buildings (meeting regional, national, internationally recognised standards / certifications)	<ul style="list-style-type: none"> • Certified buildings (EDGE, BREEAM, LEED, etc.) 	<ul style="list-style-type: none"> • kWh/m² of GBA p.a.; • % of energy use reduced/avoided; • % water reduced/avoided
Pollution prevention and control	<ul style="list-style-type: none"> • Reduction of air emissions • Greenhouse gas control 	<ul style="list-style-type: none"> • Increase of recycling capacity (tons) • Increase of collection capacity (tons)

	<ul style="list-style-type: none"> • Soil remediation • Waste prevention, reduction or recycling • Energy/emission-efficient waste to energy 	<ul style="list-style-type: none"> • CO2 emissions avoided (tCO2e)
Agriculture, forestry and land use	<ul style="list-style-type: none"> • Sustainable agriculture • Sustainable animal husbandry • Climate smart farm inputs (e.g. biological crop protection, drip irrigation) • Sustainable fishery and aquaculture • Sustainable forestry (afforestation, reforestation, forest rehabilitation/restoration, existing forest management) • Preservation or restoration of natural landscapes 	<ul style="list-style-type: none"> • Area of land reforested (hectares or acres) • Area of previously non-forested land that is forested (hectares or acres)
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Sustainable infrastructure for clean drinking water • Wastewater treatment • Sustainable urban drainage systems • River training • Flooding mitigation mechanisms 	<ul style="list-style-type: none"> • Wastewater quality improvement • Amount of wastewater treated /avoided • Water savings (m3)

* Reporting of the key performance indicators on a quantitative basis is preferred above a qualitative assessment, only for instances where a quantitative approach is not possible (due to a multitude of reasons) a qualitative approach is taken.

5) Annex II - Social Eligibility and Reporting

The Social Eligibility and Reporting is applicable to standard Social Projects. Given the local differences in regulation an alternative reporting standard may apply as decided upon on a project-by-project basis.

Eligible Category	Eligible Sub-category	Key potential reporting indicators*
Access to financial services	<ul style="list-style-type: none"> • Microfinance • Household Finance 	<ul style="list-style-type: none"> • Number of loans to low income households or microenterprises • % of microfinance borrowers in rural areas • % of women microfinance borrowers • Average loan size of loans to LMIH and microenterprises • Geographical outreach • % of microfinance portfolio financing agriculture or production activities
Affordable Housing	<ul style="list-style-type: none"> • Social and public housing (rent) • Affordable housing (ownership) • Student houses • Elderly homes 	<ul style="list-style-type: none"> • Number of individuals (to be) housed • Number of housing units constructed or improved
Employment generation	<ul style="list-style-type: none"> • SME Finance 	<ul style="list-style-type: none"> • Number of loans to SMEs • Amount of SME loan portfolio • Sector distribution of SME loan portfolio • Number of jobs financed
Affordable Health and Education	<ul style="list-style-type: none"> • Education services <ul style="list-style-type: none"> ○ Vocational training ○ Primary and secondary school ○ Tech companies (service providers) ○ Professional training services • Health services <ul style="list-style-type: none"> ○ Health clinics 	<ul style="list-style-type: none"> • Number of students who gained access to education and/or vocational training opportunities • % of female students • Number of teachers employed • Additional new schools built

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	<ul style="list-style-type: none"> ○ Health facilities (labs) ○ Pharmaceuticals ○ Health technologies 	<ul style="list-style-type: none"> ● Number of patients with gained access to medical services ● Number of caregivers employed ● Additional healthcare infrastructure built
Food Security	<ul style="list-style-type: none"> ● Financial services for small holder farmers ● Food production ● Food packing /manufacturing ● Food technology 	<ul style="list-style-type: none"> ● Number of loans to small holder farmers / small scale agriculture ● Geographical outreach of loan to small holder farmers / small scale agriculture

* Reporting of the key performance indicators on a quantitative basis is preferred above a qualitative assessment, only for instances where a quantitative approach is not possible (due to a multitude of reasons) a qualitative approach is taken.

SUSTAINABILITY, SOCIAL & GREEN BOND FRAMEWORK FOR SYMBIOTICS BONDS

DNV GL INDEPENDENT ASSESSMENT

Scope and Objectives

Micro, Small & Medium Enterprises Bonds S.A. (henceforth referred to as "MSME") is a securitization company, domiciled in Luxembourg and subject to supervision by the Luxembourg regulator. Its main activity is to grant loans to financial institutions in emerging and frontier markets and to issue bonds which repack such loans. MSME is sponsored by Symbiotics SA ("Symbiotics"), an asset management firm based in Switzerland and regulated by the Swiss financial market supervisory authority ("FINMA"), which also acts as the servicer and calculation agent of the loans granted by MSME. As part of the origination service, Symbiotics performs a credit risk scoring and prepares a green and/or social responsibility rating for each prospective borrower.

MSME has developed a Sustainability, Social & Green Bond Framework (the "Framework") under which it can issue bonds to repack loans. The bonds will be labelled as sustainability, social or green based on the underlying loans.

DNV GL Business Assurance Services Limited ("DNV GL") has been commissioned by MSME to provide a review of the Framework. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of instruments issued via the MSME Framework, the value of any investments, or the long term environmental & social 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.

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Responsibilities of the Management of MSME and DNV GL

The management of MSME & Symbiotics has provided the information used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform MSME's management and other interested stakeholders in the Framework as to whether the Framework is aligned with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). In our work, we have relied on the information and the facts presented to us by MSME & Symbiotics. DNV GL is not responsible for any aspect of the projects or assets referred to in this

opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by MSME management and used as a basis for this assessment were not correct or complete.

Basis of DNV GL's opinion

We have adapted our green bond eligibility assessment methodology to create a MSME specific Green, Social & Sustainability Bond Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV GL's opinion.

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

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of funding instruments under the Framework must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental & social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of funding instruments under the Framework should outline the process it follows when determining eligibility of an investment using proceeds from Green, Social & Sustainability instruments, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a funding instrument should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the investors of the instrument 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 MSME 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 MSME specific Protocol, adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by MSME on the Framework and supplemented by desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of MSME's published material with regards to its environmental & social activities relating to the company;
- Discussions with MSME's management, and review of relevant documentation and evidence related to the criteria of the Protocol;
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV GL's opinion

DNV GL's findings are listed below:

1. Principle One: Use of Proceeds.

MSME intends to use the proceeds of securities issued under the Framework to repack loans that have been made to financial institutions in emerging and frontier markets. Symbiotics will assess the loans eligibility for inclusion in a Sustainability, Social or Green Bond.

MSME has confirmed that Eligible Projects will fall within one or several of the following eligible categories:

Eligible Social Projects

- Access to Financial services
- Affordable housing
- Employment generation
- Affordable Health and Education
- Food security

Eligible Green Projects

- Renewable Energy
- Energy Efficiency
- Clean Transportation
- Green Buildings
- Pollution prevention and control
- Agriculture, forestry and land use
- Sustainability water and wastewater management

MSME will also label bonds as Sustainability Bonds when the proceeds of the underlying loans finances both Green and Social Eligible Projects.

In an appendix to the Framework, MSME also presents a comprehensive description of each category, sub-category and reporting metrics.

DNV GL concludes that the eligible categories outlined in the Framework and the Eligible Projects are consistent with the categories outlined in the GBP, SBP and SBG.

2. Principle Two: Process for Project Evaluation and Selection.

MSME will require Symbiotics to undertake the eligibility assessment based on the categories described above. Symbiotics has created a Sustainability, Social and Green Bond Committee comprising Management, Risk & Compliance and Impact representatives who will undertake an eligibility assessment for each bond which takes into account a number of quantitative and qualitative measures applied by Symbiotics' markets analysts, investments analysts, impact analysts and external specialists where necessary

DNV GL concludes that MSME's Sustainability, Social & Green Bond Framework appropriately describes the process of project evaluation, selection and exclusions.

3. Principle Three: Management of Proceeds.

MSME has confirmed that the full bond proceeds will be managed by each loan borrower in a sub-account or other internal tracking mechanism. Pending full allocation of the bond proceeds to Eligible Projects the borrower will hold these unallocated proceeds in cash or other short-term money market instruments.

If the underlying Eligible Project is prepaid or no longer qualifies as an Eligible Green Project or Eligible Social Project, the borrower will either replace the ineligible or prepaid project with an Eligible Project or if the borrower is not able to replace the project then it will be required to prepay the part of the loan that is not covered by the Eligible Project within one year.

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

4. Principle Four: Reporting.

MSME has committed to producing an annual Sustainability, Social and/or Green Bond Use of Proceeds Reports ("Reports") for each individual bond issued under the Framework.

The Reports will include allocation of funds by eligible project category and optionally for each bond present some examples of loans financed, the amount of unallocated cash or cash equivalents and a breakdown of the countries where the funds have been deployed.

MSME has also committed to engaging Symbiotics to measure - where feasible - the impact of social and environmental projects through a wide range of KPIs, which are listed in an Annex to the Framework.

DNV GL can confirm MSME has committed to producing appropriate reporting on the allocation of proceeds, and environmental and social impacts of its investments made under the Framework

On the basis of the information provided by MSME and the work undertaken, it is DNV GL's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of Green Bonds within the Green Bond Principles, Social Bonds within the Social Bond Principles and Sustainability Bonds within the Sustainability Bond Guidelines.

for DNV GL Business Assurance Services UK Limited

London, 18th December 2019



Douglas Farquhar

Principal Consultant and Reviewer
DNV GL – Business Assurance



Shaun Walden

Principal Consultant and Project Director
DNV GL – Business Assurance

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SCHEDULE 1: DESCRIPTION OF CATEGORIES TO BE FINANCED THROUGH THE FRAMEWORK

Social categories	Green categories
<ul style="list-style-type: none"> • Access to Financial services • Affordable housing • Employment generation • Affordable Health and Education • Food security 	<ul style="list-style-type: none"> • Renewable Energy • Energy Efficiency • Clean Transportation • Green Buildings • Pollution prevention and control • Agriculture, forestry and land use • Sustainability water and wastewater management