SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Social Bond Framework
LiveMore Capital Limited

11 August 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	• Social Bond
Relevant standards	• Social Bond Principles, updated June 2021 (with June 2022 Appendix 1), administered by ICMA
Scope of verification	• LiveMore Capital Limited Social Bond Framework (31.05.2022) • LiveMore Eligibility criteria (31.05.2022)
Lifecycle	• Pre-issuance verification
Validity	• As long as there is no material change to the Framework

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SCOPE OF WORK

LiveMore Capital Limited (LiveMore Capital or the Issuer) commissioned ISS ESG to assist with its Social Bond Framework by assessing three core elements to determine the sustainability quality of the instrument:

1. LiveMore Capital's Social Bond Framework (31.05.2022) – benchmarked against the International Capital Market Association's (ICMA) Social Bond Principles (SBPs).
2. The Eligibility criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG's issue-specific key performance indicators (KPIs) (See Annex 1).
3. Social Bond link to LiveMore Capital's sustainability strategy – drawing on LiveMore Capital's overall sustainability profile and specific Use of Proceeds category.

LIVEMORE'S BUSINESS OVERVIEW

LiveMore Capital operates as a Financial Conduct Authority (FCA)-regulated non- bank mortgage lender specializing in mortgages to customers aged 50-90+ and to mortgage prisoners in the United Kingdom. The Issuer defines itself as an institution that looks beyond the age of its customers to assess financial circumstances such as credit history, income, pensions, and investments and believes that people are never too old to get a mortgage that's right for them. The company aims to bridge the societal gap caused by the shortfall in quality mortgage finance for later-life borrowers and provides unique interest-only mortgages and retirement interest-only mortgages to its borrowers.

LiveMore is classified in the Mortgage & Public Sector Finance industry, as per ISS ESG's sector classification.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[1]
Part 1: **Alignment with SBP**	The issuer has defined a formal concept for its Social Bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA Social Bond Principles (06.2021).	**Aligned**
Part 2: **Sustainability quality of the Eligibility criteria**	The overall sustainability quality of the Eligibility criteria in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Social Bond will (re-)finance eligible asset categories which include: loan to aging populations and applicants underserved by High Street lenders. Those use of proceeds category has a limited contribution to SDGs 10 ‘Reduce Inequality’. The environmental and social risks associated with those use of proceeds categories have been well managed.	**Positive**
Part 3: **Social Bond link to issuer’s sustainability strategy**	The Use of proceeds financed through this Social Bond is consistent with the Borrower’s sustainability strategy and material ESG topics for the Borrower’s industry. The rationale for issuing Social Bond is clearly described by the issuer.	**Consistent with the Issuer’s sustainability strategy**

[1] ISS ESG’s evaluation is based on the LiveMore Capital Limited’s Social Bond (31.05.2022), on the analysed selection criteria as received on 31.05.2022, the ISS ESG Indicative Corporate Rating prepared on 2nd August 2022 and applicable at the SPO delivery date.

ISS ESG SPO ASSESSMENT

PART I: ALIGNMENT WITH ICMA SOCIAL BOND PRINCIPLES

1. Use of Proceeds

All net proceeds of any future offering of Social Bonds by the Issuer will be allocated to (re)finance the Issuer's purchase of a portfolio of loans originated by LiveMore and to pay certain expenses incurred in connection with the issuance of the Social Bond. The Issuer will raise finance for the purchase of these loans through securitisation of the underlying loan portfolio, involving the issuance of securitized Social Bonds to investors.

The net proceeds of the Social Bond issued by the Issuer under the framework will contribute to the objective of (i) access to essential services, specifically financial inclusion of underserved communities, and (ii) socioeconomic advancement and empowerment.

Social objective

The loans form part of an Eligible Social Project related to the SBP Social Project categories of Access to Essential Services (Banking) and Socioeconomic Advancement and Empowerment (Equitable Access to and Control over Assets).

The positive social impact of the Eligible Social Project will derive from its direct contribution to improving access to banking services and socio-economic advancement and empowerment through equitable access to and control over assets, in each case by making home loan finance available to applicants whose applications are denied by high street lenders primarily due to their age but also where their more complex financial profile results in them being unable to pass the automated scoring processes of high street lenders.

Target population

The target population for which LiveMore Capital seeks to achieve positive social outcomes through the Eligible Social Project is a population of viable customers aged 50 or older where the properties are located in England,Wales or Scotland which is underserved in the UK owing to a lack of quality access to the essential service of mortgage lending, whether it is used to finance home purchases, remortgaging or to release capital.

Aging populations.

Later life borrowers face several challenges in the mortgage market.[2,3] The underserving of older borrowers has been a fundamental problem since the inception of the UK mortgage market: typically, standard lending policies provide a maximum age limit[4] that requires mortgages to be repaid by a certain age, posing insurmountable repayment schedules for older borrowers. Many lenders form the judgment that older borrowers may impose increased regulatory and/or commercial risk. Borrowers within this group have diverse financial circumstances and needs which create challenges to lenders

[2] https://www.fca.org.uk/publication/occasional-papers/occasional-paper-31.pdf; https://www.thisismoney.co.uk/money/mortgageshome/article-8544455/New-study-finds-80-older-borrowers-turned-away-apply-mortgage.html
[3] https://www.templegatefinancial.co.uk/older-borrowers-facing-challenges-securing-mortgages/; https://www.thisismoney.co.uk/money/mortgageshome/article-8544455/New-study-finds-80-older-borrowers-turned-away-apply-mortgage.html
[4] https://www.fca.org.uk/publication/occasional-papers/occasional-paper-31.pdf pg.64.

who have to underwrite loans and assess affordability. The problem has become more acute in recent decades due to several factors:

- Longer life expectancies, exacerbating pension shortfalls;
- Ageing population, increasing the number of retirement-aged mortgage owners;
- Successive global financial crises which have destroyed household wealth (2008 financial crisis and 2020/1 COVID pandemic);
- Several cohorts of interest-only mortgages that were primarily sold between 2006 and 2010, which cannot be repaid due to repayment investment plans not having delivered as expected (908,000 interest-only mortgages were outstanding at the end of 2020)[5] and over 40,000 interest-only mortgages are due to mature in households with borrowers aged 65 and over every year between 2017 and 2032[6].

Further, a complex income is a characteristic common among later life borrowers, as traditional employment income is eclipsed by other income streams of self-employment, pensions or investment in later life. Many mainstream high street lenders' approaches to lending are driven by focussing on straightforward, salary earning applicants7, excluding applications with complex income streams, as those do not fall into the standard "bracket" that can be assessed with automated underwriting mechanisms, a problem addressed by the FCA[8].

The combination of all these factors have resulted in[9,10]:

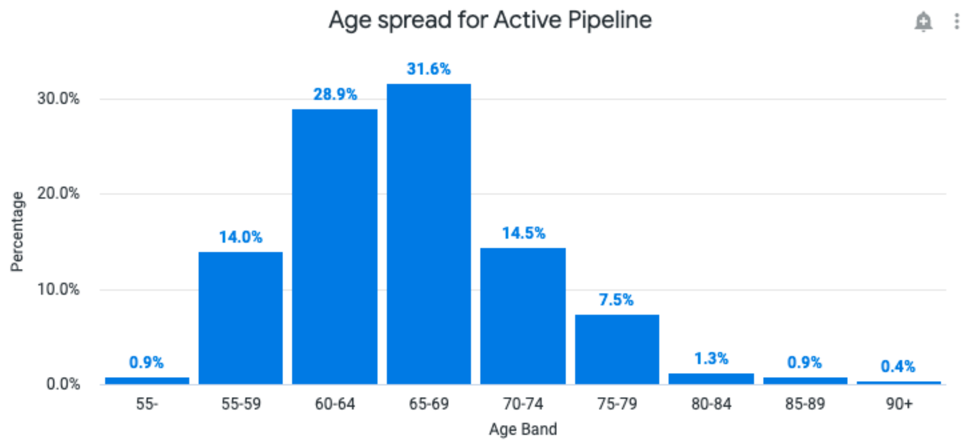
- Older borrowers being unable to obtain mortgage offers by mainstream lenders at all or only on unduly harsh terms;
- Growing numbers of "mortgage prisoners" (see FCA mortgage prisoner review[11]) – existing older borrowers on higher interest rates who are unable to refinance (these are estimated to number at least 250,000[12]);
- Older borrowers who are unable to repay or refinance interest only mortgages coming to end of term facing eviction;
- For many older consumers, housing forms a sizeable portion of their wealth in later life and the market denies them the opportunity to utilize their housing equity to support their financial needs while remaining in their home.

The result is increasing need for later life financing choices but to date, only a limited response from the market.

The chart below shows the mix of ages of primary applicants as at end March 2022 for active application cases:

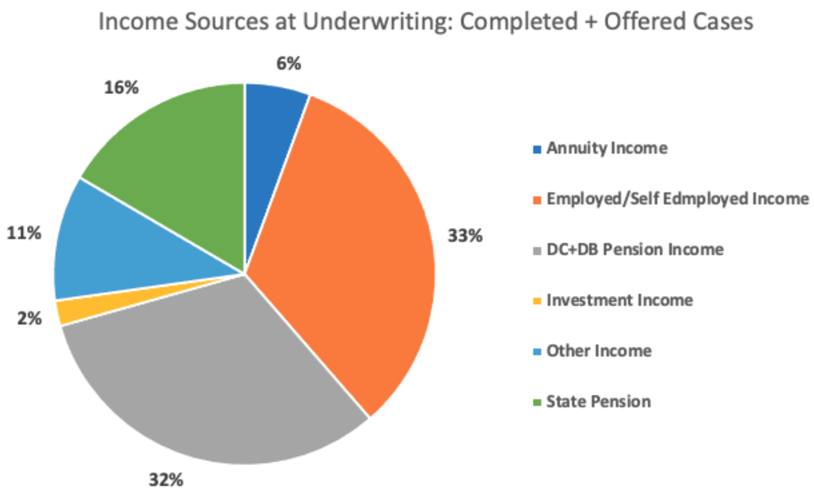
[5] UK Finance https://www.ukfinance.org.uk/data-and-research/data/mortgages/interest-only-mortgages
[6] https://www.fca.org.uk/publication/occasional-papers/occasional-paper-31.pdf, pg. 60
[7] https://www.fca.org.uk/publication/occasional-papers/occasional-paper-31.pdf pg 65 ff.
[8] https://www.fca.org.uk/publications/multi-firm-reviews/equity-release-sales-and-advice-process-key-findings
[9] See https://www.fca.org.uk/publication/occasional-papers/occasional-paper-31.pdf
[10] https://www.templegatefinancial.co.uk/older-borrowers-facing-challenges-securing-mortgages/
[11] https://www.fca.org.uk/news/news-stories/mortgage-prisoner-review
[12] https://www.thisismoney.co.uk/money/mortgageshome/article-9835233/FCA-review-UK-mortgage-prisoner-numbers-admits-low-estimate.html

Ages of Primary Applicants as of March 2022



Source: LiveMore data 31 March 2022

The complex income problem is addressed by conducting a manual underwriting process with a tailored approach, taking all variations of income into account, allowing us to help a broader range of customers and increase positive social outcome.



Source: LiveMore data 31 March 2022

The table below summarises the Eligible Social Project and Categories:

Eligible Social Project	SBP Eligible Categories
UK owner-occupied home loans to an underserved population of later life borrowers aged 50 – 90+, in particular those who have complex financial profiles that are not well served by automated mortgage underwriting approaches	• Access to Essential Services (Banking) Target Population: Ageing Populations • Socioeconomic Advancement and Empowerment (Equitable Access to and Control over Assets) Target Population: Ageing Populations

Exclusions

LiveMore Capital's strategy and products are targeted towards home loan borrowers and therefore LiveMore Capital commits to not knowingly being involved in financing any of the following activities through the proceeds of any SBT: weapons, gambling, tobacco, predatory lending, or fossil fuel production.

LiveMore Capital's current lending criteria include a maximum loan principal of £2m, and it is anticipated that the maximum principal amount of loans sold to support the initial issuance of Social Bonds will be £1.2m. Further, LiveMore Capital will ensure that only loans advanced in relation to owner-occupied residential properties will be sold to support an issuance of Social Bonds. Consequently, all loans forming part of the Eligible Project will have been advanced in relation to owner-occupied residential properties and have an average principal amount that is less than or equal to £300,000. In addition to using the later-life mortgage loans for pure re-mortgaging or property purchase purposes, borrowers may use proceeds for other purposes such as to repay more expensive outstanding debts.

Opinion: *ISS ESG considers the Use of Proceeds description provided by LiveMore Capital's Social Bond Framework as aligned with the ICMA Social Bond Principles 2021. A clear rationale is provided on the different target populations who will be benefited from LiveMore Capital's lending. Social benefits are described and quantified.*

2. Process for Project Evaluation and Selection

The evaluation and selection process will ensure that the net proceeds of the Social Bonds issued under this Framework will ultimately be used to originate owner-occupied mortgages for the target population described above as part of LiveMore's funding cycle. This is to ensure the use of proceeds will fulfil the social objectives of improving access to home loan finance and facilitating home ownership for an underserved target population.

LiveMore Capital has formed a Social Bond Forum which consists of representatives from each of the following teams (1) Finance, (2) Operations, (3) Legal and ESG and (4) Compliance which will oversee the eligible portfolio and confirm its continued compliance with the Social Bond Principles and the Social Bond Framework.

The Issuer will apply the proceeds raised from the issuance of the securitised Social Bonds in payment of the purchase price for that pool of loans. LiveMore Capital is responsible for assessing applications, originating and underwriting the loans, and servicing the loan portfolio on behalf of an Issuer.

Opinion: *ISS ESG considers the Process for Project Evaluation and Selection description provided by LiveMore Capital's Social Bond Framework as aligned with the ICMA Social Bond Principles 2021. Moreover, the projects selected show alignment with the sustainability strategy of the issuer.*

3. Management of Proceeds

All Social Bond net proceeds will be used to finance owner-occupied mortgage loans originated by LiveMore Capital which are aligned with the goals described above. Its in-house origination capabilities, together with its choice of loan servicing partner, are designed to sort, analyse and extract reporting on the unique pool of home loan receivables sold to an Issuer.

The portfolio of loans sold to an Issuer will be administered and serviced by LiveMore Capital, with the support of a highly qualified external loan servicer to whom certain servicing responsibilities are delegated. LiveMore Capital will monitor the performance of the underlying portfolio of loans through its internal management information systems and provide monthly reporting to the cash manager; the cash manager will provide quarterly reporting to all investors as part of the regular RMBS reporting, including details such as performance of underlying loan portfolio, repayment of principal and interest and outstanding note balances in accordance with the principal and interest waterfalls and issuance documentation.

LiveMore has implemented internal accounting and financial management and information systems to track and report on the Eligible Social Project and verify whether the net proceeds of the Social Bond have been fully allocated. Relevant information includes:

- Key information relating to the Social Bonds including Issuer, transaction date, the principal amount of proceeds, settlement date, maturity date, and interest margin or coupon, ISIN number etc.
- Details of Use of Proceeds, including:
    - Aggregate amount of SBT proceeds
    - Specific loans sold to an Issuer
    - Estimated social impact as described in paragraph 4.b below (where available)
    - Other necessary information

Opinion: *ISS ESG finds that Management of Proceeds proposed by LiveMore Capital's Social Bond Framework is well aligned with the ICMA Social Bond Principles 2021.*

4. Reporting

On an annual basis while the Social Bonds are outstanding or in case of material changes, LiveMore Capital will prepare a Social Bond Annual Report which will be made available to investors.

The Social Bond Annual Report will contain at least the following details:

a) Allocation Reporting:
    - Details of Social Bond(s) issued during the reporting period and outstanding at the reporting date, plus summary terms of Social Bonds.

- Aggregated reporting of loans financed by Social Bond proceeds at issuance date and as at the annual reporting date.

b) Impact Reporting:
- Where possible, qualitative and/or quantitative reporting of the social impacts resulting from loans financed by the Social Bond proceeds including the following potential impact indicators:
  - Number of loans included in portfolio
  - Number of beneficiaries
  - Aggregate principal balance of loans included in portfolio
  - Average principal balance of loans included in portfolio
  - Largest loan balance in portfolio
  - Average property value securing loans included in portfolio
  - Weighted average loan to value ratio in portfolio
  - Weighted average interest rate in portfolio
  - income of borrowers under loans included in portfolio
  - Average age of borrowers
  - Age of youngest and oldest borrowers in the portfolio
  - Reason for taking out mortgage, if available
  - Income structure of borrowers, if available
  - Confirmation that all loans are secured by Owner-occupied residential properties
  - Breakdown of loans in portfolio by age of borrower, gross income of borrower, loan to value ratio and principal outstanding at the reporting date
  - Percentages allocated to each eligible project category.

Subject to the availability of information, an Issuer will look to utilise the impact reporting guidelines as described in the ICMA "Working Towards a Harmonized Framework for Impact Reporting for Social Bonds (June 2020)"[13].

Opinion: *ISS ESG finds that the reporting proposed by LiveMore Capital's Social Bond Framework is aligned with the ICMA Social Bond Principles 2021. The large set of proposed impact reporting performance indicators shows LiveMore Capital's commitment and in line with the market practice in transparency.*

External review

ISS has been engaged to review portfolio data summarised in the stratification tables of the Social Bond Annual Report. The Social Bond Annual Report will be made available to investors

The information below will be produced and available to investors:

[13] https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Harmonized-Framework-for-Impact-Reporting-for-Social-BondsJune-2020-090620.pdf

ITEM	FREQUENCY
Social Bond Framework	Initial pre-securitisation Issuance review prior to issuance of first Social Bonds, then for any subsequent Framework updates.
Second Party Opinion	At issuance of LiveMore's Social Bond Framework issued and upon any issuance of material changes to the Social Bond Framework
External Annual Review of Stratification Tables	Annually, for all outstanding Social Bonds.
Social Bond Annual Report	Annually, for all outstanding Social Bonds.

PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE SOCIAL BOND TO THE UN SDGs

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the issuer in two different ways, depending on whether the proceeds are used to (re)finance:

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution

Each of the eligibility criteria's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
(Re-) Financing loans to an underserved population made up of applicants who are later life borrowers, in particular, those who have complex financial profiles that are not well served by automated mortgage underwriting approaches	Limited contribution[14]	

[14] This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an issuer's product and service portfolio on the SDGs.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

The table below presents the findings of an ISS ESG assessment of the Eligibility criteria against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI	
Responsible marketing	
✓	Promotional materials were reviewed by their Compliance department to ensure that all regulatory requirements related to marketing materials are satisfied[15]. LiveMore Capital is also ensuring to complete post offer checks to ensure that the product was suitable, and its features understood by the Borrower by means of customer surveys.[16]
✓	The lender has policies in place to ensure marketing practices are conducted in a responsible manner. Pricing and the total projected cost of a mortgage offer are clearly stated in line with prescriptive guidelines. It is ensured that the customer receives all relevant supporting information about interest rates, terms and conditions. Besides that, LiveMore Capital does not use smaller print to make any terms less visible; on the contrary they do tell customers that if necessary or to provide information in larger print or Braille.
✓	Risks associated with non-payment of mortgage payments appear in multiple places and the terms and conditions clearly state what rights the lender has in case of continued non-payment.
✓	LiveMore Capital provides general guidance on the reasons why a loan is rejected (e.g. credit history is poor), and in line with industry guidance, they would refer the customer to a credit reference agency provider – the mechanics of how to do this are provided to the Customer. Every Customer has the right to submit complaints about the customer journey under our Complaints Policy.
Responsible sales practices	
✓	The Issuer does offer sales commission based on completed cases. However, there are no volume-based commission staff who are in the chain of processes that result in new loan originations approval (e.g. loan underwriters or anyone else responsible for risk management). The Issuer does have overall mortgage origination objectives, but these are for the Issuer as a whole to target and to achieve and not for individuals.
✓	No bonus has been paid yet, instead, the company does provide prizes and internal recognition to staffs who provided high-quality service and are recognised by customers. A bonus policy with ethical considerations is formalized.

[15] FCA regulation requires that mortgage information be presented strictly in accordance with the defined order, layout and calculations set out in MCOB 5A Annex 1 of the FCA Handbook, (see https://www.handbook.fca.org.uk/handbook/MCOB/5A/Annex1.html#DES62). This sets out rules on what must be disclosed to customers as part of both the mortgage application and offer process by all Mortgage Lenders.
[16] LiveMore Capital has a Financial Promotions Policy which aligns all its promotions with FCA regulations and has Responsible Marketing Requirements which ensure that all marketing is fair, clear and not misleading. LiveMore Capital also conducts a post-sale survey with Customers to ensure product suitability.

✓	The company provides training to brokers who are not employees of the company.
✓	Complaints are all tracked and logged, all complaints are investigated with the result of such investigation requiring a process improvement or other change as may be deemed necessary
Responsible treatment of clients with debt repayment problems	
✓	The company focuses on credit quality and does not expect to encounter credit repayment problems. However, it recognizes later life issues and puts considerations into their overall vulnerability framework. Besides that, a “Vulnerable Customer Policy” is in place to ensure the issuer is able to appropriately and adequately identify and recognise vulnerable clients through engagement, and then come up with the right solutions to achieve the right outcome for them.
✓	The Issuer provides an option to employ a field agent and provide debt counselling to customers, stressing the importance of priority debts as well as seeking to establish if any income shortfall is short-term in nature. The results will be analyzed with appropriate action taken.
✓	Specific measures have been implemented from the end-to-end approach (the underwriting process, immediately prior to the offer and post-completion) to identifying and dealing with vulnerability. In case of short-term financial difficulty, the company can offer a 6-month payment break option.
Information security	
✓	An Information Security Policy is in place, including defining roles and responsibilities, procedures of internal and external audits, training, monitoring, and reporting.
✓	A mix of security protocols including the use of SSH File Transfer Protocol (SFTP) and Transport Layer Security (TLS) in place. When appropriate, the Issuer will undertake a Data Protection Impact Assessment (DPIA).

PART III: SOCIAL BOND LINK TO LIVEMORE CAPITAL'S SUSTAINABILITY STRATEGY

A. LIVEMORE CAPITAL'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The issuer is classified in the Mortgage & Public Sector Finance sector, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company-specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Sustainability impacts of lending and other financial services/products
Customer and product responsibility
Employee relations and work environment
Statutory ESG-standards linked to the geographical allocation of the lending portfolio

ESG strengths and points of attention related to the issuer's disclosures

Leveraging ISS ESG's Research, ISS ESG identified the following strengths and points of attention[17]:

STRENGTHS	POINTS OF ATTENTION
The Issuer has a transparent complaint handling procedure to support responsible sales practices for customer and product responsibility.	The Issuer has not disclosed a formal commitment on responsible marketing.
The Issuer talks of having a payment break option for its clients who experience financial difficulties with debt repayment.	The company has not publicly disclosed its policies regarding health and safety, diversity, and maternity
The Issuer reports employee allows flexible working schedules and offers employee assistance programs and wellbeing surveys to manage employee relations and wellbeing.	The Issuer has not reported any policies or measures to address the issue of employment security.

[17] Please note that LiveMore is not part of the ISS ESG Corporate Rating Universe. Thus, the information is based on a disclosure review conducted by the analyst in charge of the Mortgage & Public Sector Finance sector, based on publicly available information exclusively. No direct communication between the Issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

The Issuer follows Greenhouse Gas (GHG) Protocol Corporate Standard for accounting and reporting its operational GHG emissions	

Please note that the consistency between the issuance subject to this report and the issuer's sustainability strategy is further detailed in Part III.B of the report.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of LiveMore's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along the company's production process.

ISS ESG determined that, based on the information provided by the company, its overall business model has no net impact (contribution and/or obstruction) to the UN SDGs.

Breaches of international norms and ESG controversies

At issuer level

At the date of publication, ISS ESG has not identified any severe controversy in which the issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Mortgage & Public Sector Finance industry are as follows: failure to pay fair share of taxes, failure to mitigate climate change impacts and failure to conduct human rights due diligence.

Please note, that this is not a company-specific assessment but areas that can be of particular relevance for companies within that industry.

B. CONSISTENCY OF SOCIAL BOND WITH LIVEMORE CAPITAL'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by LiveMore Capital

In November 2021, LiveMore Capital defined and publicly released its ESG strategy and remains among the first specialist mortgage lenders in the UK to do so. LiveMore is on the path to continue to strengthen its ESG framework to provide a quantifiable guide for its employees and stakeholders. LiveMore Capital will monitor and measure ESG targets and will report on the progress the firm is making periodically.

1. *Promoting environmental awareness of customers*
    a. Developing Green Mortgage products and collecting EPC (Energy Performance Certificate) data on properties as part of their fact-finding process;
    b. Engaging with customers on sustainable housing and providing information to all customers about EPC ratings;
    c. Support use of funds for renovations that have the potential to improve a property's EPC rating.
2. *An internal focus on addressing the impact of climate change and re-forestation*
    a. Measuring carbon footprint using GHG Standard with annual reporting
    b. LiveMore prepares to become net-zero and offsets its carbon footprint through re-forestation: LiveMore started to support the Trillion Trees Initiative in 2020 and contributions to date equal 775 tons of CO_2 removal, or 1.9 million miles driven
    c. Increase paperless working by using electronic documents whenever possible, both internally and in communications with customers and suppliers
    d. All employees benefit from flexible working locations as a means to reduce carbon linked to commuting
3. *Committed to improving financial inclusion for later life borrowers and supporting customers*
    a. Expand the product range to meet the needs of the later-life borrower market
    b. Reducing inequalities in housing through provision of finance access, while improving the livelihoods of those older borrowers whose wellbeing is closely connected to staying in their own home
4. *Vulnerability as a key focus*
    a. A unique approach to tackle vulnerability through a Vulnerable Customer Policy specifically designed to identify and address customer vulnerabilities throughout their relationship with LiveMore
    b. Work with partners to enhance these capabilities and to provide additional solutions for the vulnerability group
5. *Supporting employees*
    a. Offering flexible and hybrid working

b. Quarterly employee surveys to measure employee wellbeing
c. Enhanced policies for Maternity, Diversity and Equality, Health and Safety
d. Employee Assistance Program which provides all employees with counseling and practical support via a 24/7 helpline
e. All employees are trained on regulatory and practical matters including ESG regularly to create awareness throughout the workforce

6. *Community Involvement*

    a. Encourage employees to use their volunteering time to support a charity or community group through its charity board

7. *Business Governance*

    a. The responsibility for ESG oversight is allocated to one of its Board Members and the ESG Committee.
    b. An established three lines of defence model (3LOD) to manage risks
    c. Credit and Responsible Lending Policy is aligned with best market practices
    d. Customers benefit from the robust governance and reporting structure of an FCA-approved company with strong corporate risk management.
    e. Compliant with the SMCR (Senior Management and Certification Regime) of the FCA

8. *Data Protection*

    a. Compliance with recognized external standards namely DPA, GDPR and Cyber Essentials
    b. Continuously work on IT infrastructure for cyber resilience
    c. Privacy and Information Security Policy ensures protection of consumer data and alignment with data protection regulations

Rationale for issuance

LiveMore Capital is a UK first lien residential mortgage lender which was founded to address the challenges later life borrowers face in the UK mortgage market. This social focus fits well with LiveMore's overall sustainability strategy. By raising funds in the capital markets LiveMore contributes to the financial health of its borrowers and their access to substantial services and continuing financial inclusion.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Social Bond with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Mortgage & Public Sector Finance sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
(Re-) Financing loans to an underserved population made up of applicants who are later life borrowers, in particular those who have complex financial profiles that are not well served by automated mortgage underwriting approaches	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the Use of Proceeds financed through this bond is consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing social bonds is clearly described by LiveMore Capital.*

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to the Framework.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the se- lection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: Methodology

ISS ESG SOCIAL KPIs

The ISS ESG Social Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of LiveMore Capital's Social Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Social Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by LiveMore Capital (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which LiveMore Capital's Social Bond contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

LiveMore Capital commissioned ISS ESG to compile this Framework SPO. The Second Party Opinion process includes verifying whether the Social Bond Framework aligns with the ICMA Social Bond Principles 2021 and to assess the sustainability credentials of its Social Bond, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Social Bond Principles (06 2021)
- ISS ESG KPI set relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

LiveMore Capital's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the asset level

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The Issuer has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Social Bond to be issued by LiveMore Capital based on ISS ESG methodology and in line with the ICMA Social Bond Principles 2021.

The engagement with LiveMore Capital took place between October 2021 to August 2022.

ISS ESG's BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/

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For Information about this Social Bonds SPO, contact: SPOOperations@iss-esg.com

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