

Williams Caribbean Capital

PRE-ISSUANCE VERIFICATION LETTER

SOLAR ENERGY CRITERIA OF THE CLIMATE BONDS STANDARD

Type of engagement: Assurance Engagement

Period engagement was carried out: May 2019

Approved verifier: Sustainalytics

Contact address for engagement: 125 Maiden Lane, Suite 602, New York NY 10038, U.S.A.

Pre-issuance Engagement Leader: Ankita Shukla, ankita.shukla@sustainalytics.com, +1 (617) 603 3329

Pre-issuance Engagement Support: Mayur Mukati, mayur.mukati@sustainalytics.com, +1 (647) 936 5656

Scope and Objectives

Williams Caribbean Capital (“WCC”, or the “company”) has engaged Sustainalytics to review and verify that WCC’s green bonds meet the requirements under the Solar Energy criteria of the Climate Bonds Standard.

Williams Caribbean Capital is an investment and business development company formed in 2017 as a joint venture between Williams Industries Inc., a diversified Caribbean corporation, and an investment business, New Caribbean Capital Partners. The company is headquartered in Barbados. The company’s primary focus is on the expansion (or deployment) of commercial solar photovoltaic (PV), and has created a special purpose entity, Williams Renewable Energy Limited, for the construction and operation of commercial rooftop solar installations in Barbados that were financed through two separate local bond issuances in 2018.

WCC has committed to expand commercial solar PV through issuance of green bonds and to use the proceeds to finance or refinance, in whole or in part, existing or new solar PV projects on commercial rooftops and lands. The Framework defines eligibility criteria in the following area:

- Renewable Energy: solar PV deployment on commercial rooftops and land¹

Climate Bonds Standards Criteria

Pre-issuance requirements under Climate Bond Standards Version 2.1:

- Solar Energy²
 - Onshore solar electricity generation facilities;
 - Wholly dedicated transmission infrastructure and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems.

Issuing Entity’s Responsibility

WCC was responsible for providing information and documents relating to:

- The details concerning the selection process for the eligible green projects;
- The details of the eligible green projects;
- The management systems for internal processes and controls for eligible green projects, including: tracking of proceeds, managing unallocated proceeds and Earmarking funds to eligible green projects;
- The details of commitments for reporting prior to issuance, including: investment areas, management of unallocated proceeds and frequency of periodic Assurance Engagements.

¹ WCC has included potential Nominated Projects in Schedule 1. The company may apply for CBI programmatic pre-issuance for its existing and new solar PV projects.

² Climate Bond Standards, Solar Energy Criteria: https://www.climatebonds.net/files/files/Sector%20Criteria%20-%20Solar%20v2_1.pdf

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of WCC's green bonds, issued to finance Nominated Projects, and provided an independent opinion informing WCC as to the conformance of the green bond with the Pre-Issuance requirements and Solar Energy criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by WCC. Sustainalytics is not responsible if any aspect of the Nominated Projects referred to in this opinion including estimates, findings, opinions, or conclusions are incorrect. Thus, Sustainalytics shall not be held liable if any of the information or data provided by WCC management and used as a basis for this assessment were not correct or complete.

Sustainalytics makes all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the bond.

Verifier's Responsibility

The work undertaken as part of this engagement included conversations with relevant WCC employees and review of relevant documentation to confirm the green bonds' conformance with the Climate Bonds Certification Pre-Issuance Requirements, which include:

- Conformance of WCC's green bonds with the Climate Bonds Standard Version 2.1;
- Conformance with the Technical Criteria on Solar Energy criteria;
- Conformance with the Internal Processes & Controls requirements;
- Conformance with Reporting Prior to Issuance requirements.

Basis of the Opinion

Sustainalytics conducted the verification in accordance with the Climate Bond Standard Version 2.1 and with International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Information.

Sustainalytics planned and performed the verification by obtaining evidence and other information and explanations that Sustainalytics considers necessary to give limited assurance that the Nominated Projects meets the requirements of the Climate Bond Standard. Upon reviewing evidence and other information, Sustainalytics is of the opinion that WCC will ensure compliance with Climate Bond Standard requirements.

Conclusion

WCC's green bonds will finance or refinance, in whole or in part, Nominated Projects related to Renewable Energy (specifically solar energy). Based on the limited assurance procedures conducted, nothing has come to Sustainalytics' attention that causes us to believe that, in all material aspects, WCC's climate bonds are not in conformance with the Solar Energy Criteria of the Climate Bond Standard Pre-Issuance Requirements.

Schedule 1: Detailed Overview of Nominated Projects and Assets

Williams Caribbean Capital's model is to raise funds by issuing green energy bonds to fund the deployment of PV solar on commercial rooftops and land. The projects are therefore PV Solar deployments on commercial rooftops and land which are leased from businesses

Presently Williams Caribbean Capital is in discussions with multiple organisations to lease their rooftops or land; hence, projects will be nominated in due course.

Examples of Potential Projects to be nominated include:

- 2 MWp of PV Solar systems to be installed on rooftops owned by the Government Agency, Barbados Investment & Development Corporation,
- 5 MWp of PV Solar on land at Foursquare Estate on which water pumps owned by the Barbados Water Authority are installed.

Example Project Nominated in 2018

Funding by Williams Caribbean Capital 2018 green bond program, Williams Caribbean Capital deployed PV Solar on over 250,000 square feet of commercial rooftops owned by Williams Industries in Barbados. The electrical output from these PV Solar systems is 3.5 MWp which is enough to offset the entire electricity usage of the Williams Industry Group.

Schedule 2A: Pre-Issuance General Requirements

Selection of Nominated Projects and Assets:	<p>1.1 Statement on the environmental objectives of the bond</p> <p>1.2 Confirmation that Nominated Projects and Assets meet the Climate Bonds criteria</p> <p>1.3 Document a list of Nominated Projects and Assets</p> <p>1.4 Confirmation that Nominated Projects and Assets will not be nominated to other Climate Bonds</p> <p>1.5 Confirmation that Net Proceeds of the Green Bond shall not be greater than the value of the Nominated Projects and Assets</p>
Internal Processes and Controls	<p>2.1.1 Tracking of proceeds</p> <p>2.1.2 Managing of unallocated proceeds</p> <p>2.1.3 Earmarking funds to Nominated Projects and Assets</p>
Reporting Prior to Issuance	<p>3.1.1 Investment area of Nominated Projects and Assets</p> <p>3.1.2 Intended types of temporary investments for the management of unallocated proceeds</p> <p>3.1.3 Approach of Verifier</p> <p>3.1.4 Whether periodic Assurance Engagement will be undertaken, and the expected frequency of any periodic Assurance Engagements</p>

Schedule 2B: Conformance to the Pre-Issuance Requirements

Procedure Performed	Factual Findings	Error or Exceptions Identified
Verification of requirements specified under Selection of Nominated Projects and Assets	<p>1.1 The objective of the bond is to primarily use proceeds for solar PV deployment on commercial rooftops and land.</p> <p>1.2 The Nominated Projects and Assets meet the Solar Energy criteria of the Climate Bond Standard.</p> <p>1.3 The Nominated Projects and Assets may include:</p> <ul style="list-style-type: none"> • 2 MWp of PV Solar systems to be installed on rooftops owned by the Government Agency, Barbados Investment & Development Corporation, • 5 MWp of PV Solar on land at Foursquare Estate on which water pumps owned by the Barbados Water Authority are installed. <p>1.4 WCC's management confirms that the projects shall not be nominated to other Climate Bonds.</p> <p>1.5 WCC's management confirms that the net proceeds of the bond shall not be greater than the value of the projects.</p>	None
Verification of requirements specified under Internal Processes and Controls	<p>2.1.1 WCC's management confirms that proceeds will be segregated and tracked in a systematic manner and will be exclusively used to finance Nominated Projects.</p> <p>2.1.2 WCC's management confirms that the planned allocation of the funds and such proceeds are collected by the Trustee and held in bank accounts until fully allocated.</p> <p>2.1.3 WCC's management has confirmed that the proceeds from the bond will be held in bank accounts until fully allocated.</p>	None
Verification of requirements specified under Reporting Prior to Issuance	<p>3.1.1 WCC's management confirms that the proceeds of the transaction will primarily be used for solar PV deployment on commercial rooftops and land.</p> <p>3.1.2 WCC's management confirms that unallocated proceeds shall be held in bank accounts until fully allocated.</p> <p>3.1.3 The bond's offer letter confirms that an approved third-party verifier has been appointed to confirm the bond's conformance with pre-issuance requirements of the Solar Energy criteria of the Climate Bonds Standard.</p> <p>3.1.4 The bond's offer letter confirms that an approved third-party verifier will be engaged to conduct post-issuance assurance exercise within a year's of installation to reaffirm conformance of the bond with the Solar Energy criteria of the Climate Bonds Standard.</p>	None

Disclaimer

© Sustainalytics 2019. All rights reserved.

The intellectual property rights to this Second-Party Opinion (the "Opinion") are vested exclusively in Sustainalytics. Unless otherwise expressly agreed in writing by Sustainalytics, no part of this Opinion may be reproduced, disseminated, comingled, used to create derivative works, furnished in any manner, made available to third parties or published, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies or recordings, nor publicly released without the "Green Bond Framework" in conjunction with which this Opinion has been developed.

The Opinion was drawn up with the aim to provide objective information on why the analyzed bond is considered sustainable and responsible, and is intended for investors in general, and not for a specific investor in particular. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, the information is provided "as is" and, therefore Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date, nor assumes any responsibility for errors or omissions. Any reference to third party names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner.

Nothing contained in this Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. Furthermore, nothing contained in this Opinion shall be construed as an investment advice (as defined in the applicable jurisdiction), nor be interpreted and construed as an assessment of the economic performance and credit worthiness of the bond, nor to have focused on the effective allocation of the funds' use of proceeds.

The client is fully responsible for certifying and ensuring its commitments' compliance, implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com

