



Solar Bond Offer VII

Become a Bondholder in Solar for Schools Community Benefit Society Ltd and fund solar panels on UK schools so that we can cut CO₂, save schools money and teach young people about energy, climate change and what they can do about it.

Maximum: £3,000,000

Minimum: Once £250,000 raised

Target Interest: 2% plus RPI inflation (capped at 5%)

5% PA first year, interest starts 3 months from drawdown

Final Closing: 31 October 2022

Maturity Date: 31 October 2027

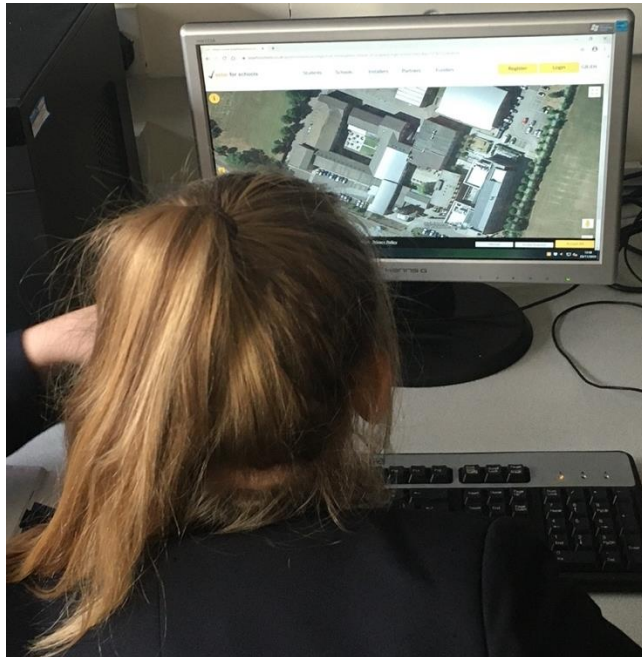


In association with Solar Options for Schools Ltd
www.solarforschools.co.uk





Important notice



This offer has been prepared by Solar Options for Schools Ltd (SfS) and Solar for Schools CBS Limited (CBS) and its Directors, who are responsible for its content. The distribution of this document in other jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions. This Offer Document is not a prospectus for the purposes of Part VI of FSMA. The Financial Conduct Authority (FCA) or any other regulator has not approved it. The Bonds have not been admitted to listing on any regulated market and will not be dealt on any stock exchange or other such market.

A new application to invest in Solar for Schools CBS Bonds may only be made through Ethex, a not-for-profit organisation operating an online platform for positive investments. This Offer Document has been provided only to existing CBS bondholders and members of Ethex who have requested to view it and should not be distributed to any other person.

Ethex is not required to be authorised by the FCA in so far as it provides information on, or arranges deals, in investments. This is because it is an Enterprise Scheme, which is exempt from regulation in arranging financial deals provided it is not acting for financial gain. Further information can be found at <http://www.ethex.org.uk/invest/SfSVII>

If you have a query about how to apply for this Offer or any general query, please visit <http://www.ethex.org.uk/invest/SfSVII> or contact Ethex on [01865 403 304](tel:01865403304) or by email at help@ethex.org.uk.

For general queries about this Offer, please contact Solar for Schools by email at bonds@solarforschools.co.uk.

Before applying, you are advised to read the whole of this Offer Document, including the risks listed on pages 32-33, and all the information regarding this Offer at <http://www.ethex.org.uk/invest/SfSVII>. You should consider taking appropriate financial and other independent advice from an FCA-authorised person who has experience in advising on investments such as these before making any investment decisions. Nothing in this Offer Document should be read or understood to be financial, investment, tax or accounting advice.



Introduction

We are delighted to invite you to invest in Solar for Schools Community Benefit Society through our 7th public Solar Bond Offer. This Bond Offer, which matures in October 2027, will enable us to fund solar on about 25 more schools as well as take over the funding and management of solar panels on about 50 schools with older systems. They will then all be able to benefit from the profit sharing and education schemes offered by the CBS to all the schools it supports.

Our long-term goal is to see every school in the UK with solar panels. This would enable us to fund education on sustainability linked to the solar panels. Educating the next generation on energy, carbon, climate change and what they can do about it, is key to achieving net zero carbon in time. By linking solar panels on the campus to the curriculum we can demonstrate to young people how they can approach a low carbon lifestyle and work towards a more sustainable future.

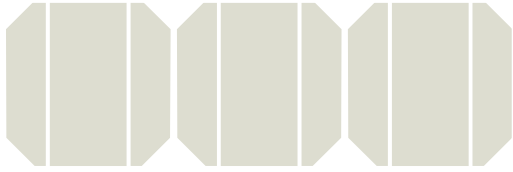
Such learning opportunities in schools can also be highly motivational, improving student outcomes and their academic results across key subjects whilst helping to create responsible citizens who feel they can influence their future.

I sincerely hope that you will seriously consider this Offer to invest in the Solar for Schools Community Benefit Society, as by so doing you will not just be contributing to cutting carbon emissions and saving schools money, but you will also be investing in a generation of young people with the abilities to better understand how to improve their world.

“The big thing about education for sustainable development is, it’s motivational. Young people feel part of their future and they feel more self-esteem, more engaged and powerful”

Ann Finlayson

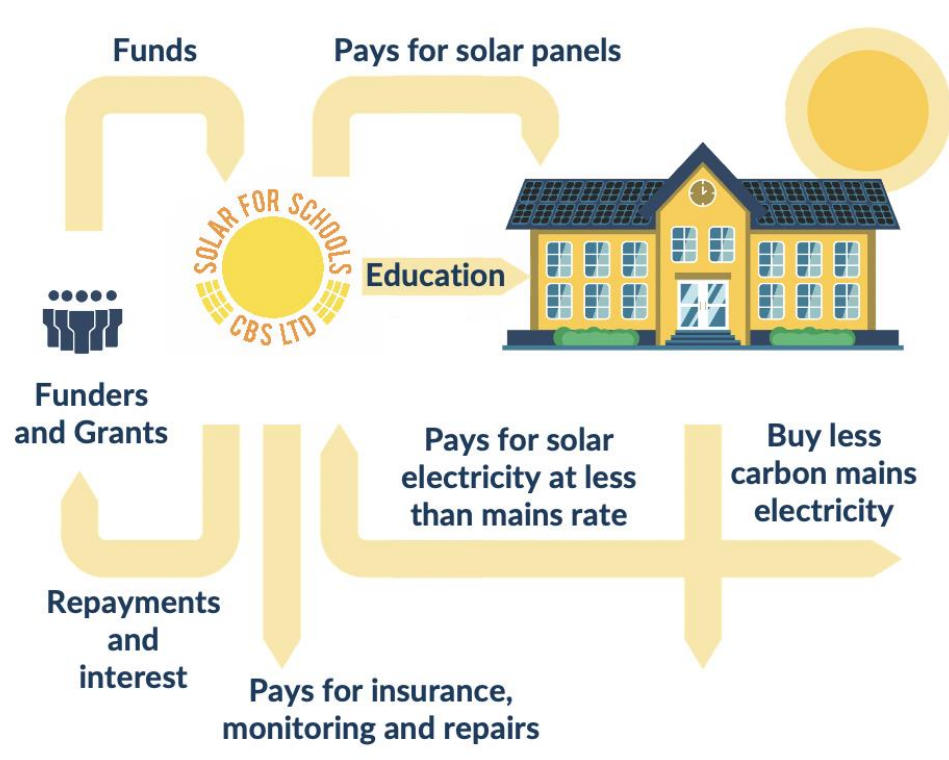
Sustainable & Environmental Education Chair and
former Director of Solar for Schools CBS Ltd



How Solar for Schools works

An Overview

The solar panel systems are owned by Solar for Schools CBS Ltd (CBS), a community benefit society, set up specifically for this purpose and whose members are the schools themselves. So, in addition to the **long-term electricity savings** that the school gains from having solar panels, any **surplus profits after bond holders have been paid interest** from the operation of the solar assets are shared with the schools. The profits to the schools may be used to reduce their solar electricity bills or to provide sustainability education for teaching and learning programmes; the schools decide on how surpluses are used and distributed.



- 1 Solar for Schools raises the money to pay for the solar panels.
- 2 We then work with the school to install the best system size for the site.
- 3 The school is then given **first access use** of the clean electricity, with the CBS securing a low cost for the school.
- 4 **100% of all project profit** goes back to the school to provide a new source of income.
- 5 Solar for Schools looks after the solar panels and provides education for students: with **no liabilities or costs** for the school



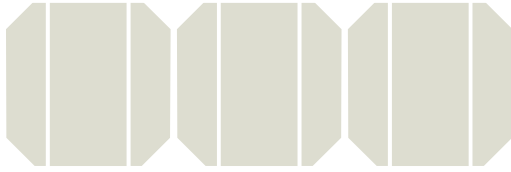
How Solar for Schools works

The effect of your investment

Every £250,000 invested by our Bondholders in new solar schools in the UK will:

- Enable about 2500 additional students to access our energy and climate change education materials linked to the solar panels at no cost.
- Enable 3-6 schools to become members of the CBS, have solar panels installed at no investment cost, have a vote in how the CBS is governed and be entitled to a profit share.
- Generate enough clean local electricity to supply the needs of about 60 homes;
- Stop 1,500 tonnes of CO₂ from ever entering the atmosphere;
- Save the school £150,000 - £350,000 in electricity costs over the next 25 to 30 years;

Note: most of the projects that will be funded by this raise will NOT be collecting any government subsidies. As such, it is harder to deliver savings to schools and these projects have a higher risk to investors. See risk section.



How Solar for Schools works

How your investment will be managed

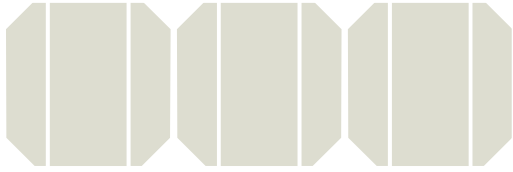


This Bond Offer will be used to fund 20-30 new solar projects on schools . So far, the CBS has funded solar on about 70 schools from previous offers. They are all generating electricity and income. Overall they are performing within expectations, apart from slightly lower income from sales to schools due to COVID closures.

Although this Bond has a minimum term of one year, you should expect to commit your money for at least 5 years. The CBS will pay interest of 2 per cent plus RPI interest (maximum 5% total per annum). Interest will accrue from the Interest Start Date (3 months after drawdown from Ethex) and interest payments will be made annually on 31 October. Funds will be drawn down regularly in multiple smaller Issues as required up until the close date of the offer and a minimum draw down of £250,000 is reached.

The Solar for Schools CBS intends to repay the bonds by the 31st October 2027. The refinancing may be done by a socially aware fund such as Social and Sustainable Capital (SASC), an ethical bank such as Triodos or by another bond offer such as this one. The Solar for Schools CBS may also repay the bonds early if either it cannot invest surplus funds in further projects or can re-finance earlier at a lower cost and thus enable more schools to go solar. See risks section.

Annual accounts are prepared by the company's accountants, presented to members and bondholders at the Annual General Meeting and published on the company's website. Bond issue administration, and ongoing bondholder relations will continue to be managed under contract by Solar Options for Schools Ltd. Ethex will be the bond registrar for all new bonds issued via Ethex.



Key information

The key terms of the Offer are as follows:

Bond:	Debt instrument
Status:	Unlisted, transferable
Security:	Unsecured
Issuer:	Solar for Schools CBS Ltd
Minimum Investment:	£500 or higher multiples of £1 (1 bond = £1)
Issue Date:	The date the bonds are allocated and issued to investors as funds are drawn down from Ethex
Interest Start Date:	Interest will start 3 months after draw down from Ethex
Repayment Date:	31 October 2027

This Offer will remain open to applications up to the value of the maximum sum (£3,000,000) or until the Final Closing Date, whichever is earlier. Applications under this Offer will be dealt with on a first come, first served basis. In the event of oversubscription to this Offer, the application, which brings the total value of all applications above the total maximum sum, will have to be reduced accordingly and all subsequent applications declined.

Interest & Tax: 2 per cent interest plus a RPI adjustment annually on the 31 October and paid in November. The RPI December figure of each year for the previous 12 months is used to adjust the price paid for electricity by schools and is also used to adjust interest payments. With a minimum interest of 2% and a maximum interest rate of 5% Annual interest rate for the period to 1st April 2022 to 31 October 2022 will be 5%, as RPI in December 2021 was 7,5%. If in future RPI is zero or negative, interest will drop to 2%. For the first interest payment to 31 October, interest will be calculated pro-rata from the Interest Start Date which for Investments made via Ethex will be 3 months from drawdown. Interest will be paid gross, i.e. with no tax deducted. This bond offer is Innovative Finance ISA (IFISA) eligible, which means that eligible investors can use their £20,000 a year ISA allowance to invest using an IFISA wrapper provided by Ethex and receive their interest payments free of tax via Ethex.

Maturity and early repayments: 31 October 2027.

The Bonds have a minimum initial term of one year, after which Bondholders can request to redeem their Bonds by giving at least three months' notice and Solar for Schools CBS Ltd will attempt to honour all requests in order of application and need at directors' discretion, but you should plan to invest for at least 5 years and be aware that there is a risk that it could take longer to be re-paid. If a request is approved, the bond will be repaid along with any accrued interest up until the date of bond repayment. The Directors may consider re-finance during the initial term of the bond. Refinance is typically available where an operational solar array demonstrates a clear track record of performance, and so may be able to secure finance on better terms. If refinance is offered on preferential terms that are materially better than those currently entered into, the CBS may offer to re-pay

WARNING: there is no guarantee that an investor will receive either the interest or even their initial investment back, the bond is an unsecured investment in the Solar for Schools CBS and there is no financial recourse to any ombudsman in the event of default.



Key information

Continued...

Bondholders early if it considers that doing so would be beneficial to the schools. Bondholders are not obliged to accept early re-payment. The CBS will simply use the remaining funds to deploy more projects instead.

Transfers & Trading:

Bonds may be sold or transferred to a third party by notifying Solar Options for Schools in writing. Although the bonds are transferable, they will not be listed on a recognised stock exchange. See Schedule 2 on page 39 for further details.

Eligibility:

Anyone over the age of 18 may apply for the Bonds (overseas investors must have a UK sterling bank account). Co-operatives, community benefit societies, companies and other incorporated associations may also apply for Bonds. An Applicant who/which is not UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK to which he/she/it is subject. No commission will be payable to introducers of potential investors.

Bond certificates:

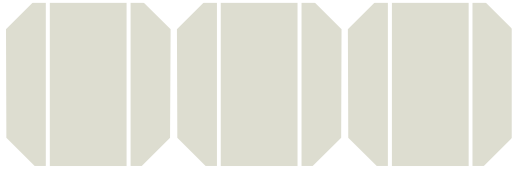
Each Bondholder is entitled to receive a certificate as evidence of their investment in the bonds. Bonds will be issued and a certificate produced by the Solar for Schools Community Benefit Society. Certificates will be circulated by email within three weeks of the date of issue.

Investment opportunity:

The Bonds are an investment in the whole of the Solar for Schools Community Benefit Society's business, but the Directors have taken great care to ensure that the forecast revenues generated by the solar panels on the schools alone will be sufficient to re-pay all capital and interest on the Bonds well within the operating lifetime of the project's operation and after including all monitoring, operating and repair costs, including inverter and other reserves, insurance, rates, fundraising and fund management costs. All revenues and most cost are modelled to increase with inflation, Other than the loans and operating expenses set out in this document, the CBS has no other liabilities or costs as it does not directly employ any staff and all Directors are volunteers.

What is the Solar for Schools Community Benefit Society?

The Solar for Schools Community Benefit Society was established in 2016 to provide schools with a means to have solar panels, funded by others, yet receive a share of the profits from the panels. The constitution is in the form of rules registered and approved by the Financial Conduct Authority, which can also be viewed at www.solarforschools.co.uk/funding/cbs. Under the terms of the constitution each eligible school, where the CBS funds



Key information Continued...

“As part of commissioning and maintaining each system, Solar Options for Schools provides onsite energy and carbon literacy workshops to help students understand and help reduce carbon emissions more effectively. Empowered with this knowledge, students are better able to show parents and the local community how to decarbonise faster”

Robert Schrimppf

Director of Solar Options for Schools Ltd
and Solar for Schools CBS Ltd

the solar panels, is entitled to a share in the profits and a vote on its Directors. As a community benefit society the Solar for Schools Community Benefit Society is bound to act for the benefit of the community of schools where we have funded solar panels.

Aims and objectives of the Society:

The Society’s purpose is to enable schools in the UK to share in any long-term profits resulting from the solar panels installed on its school, whilst cutting their carbon emissions, saving money and inspiring a generation of students to live more sustainably, giving them an opportunity to achieve more academically by encouraging them to integrate education for sustainable development into the curriculum.

The projects:

There are approximately 26,000 schools in England and Wales. Based on our current analysis and costs, about half of them could now host and benefit from solar panels. Nearly 1,000 schools have registered an interest in having solar panels installed and we are working with a growing number of councils, diocese and academies to enable more projects to come to life. Although schools are ideal hosts for solar, it can take up to three years for a school to be ready to proceed. You can see the full list of schools with solar panels funded by the Solar for Schools CBS

<https://www.solarforschools.co.uk/investors/portfolio>

Community benefits:

Over the first 25-years of the system’s lifetime, each school will save and earn between £25,000 and £350,000, depending on the size and location of the school. Given that a system’s life span is over 30 years, the school could then benefit from virtually free electricity for the following decade. The additional energy savings can be put to good use enabling more of the school’s budget to be spent on improving the education facilities at each school, rather than paying for mains electricity.

Important notice:

This Offer Document has been prepared by the Solar for Schools Community Benefit Society and its Directors with the assistance of Solar Options for Schools Ltd, which is responsible for the content. Any decision to apply for the Bonds should be based solely on consideration of the Offer Document as a whole, including the Important Notice section on page 3, the risks set out on pages 39-40, the Terms and Conditions and all information provided on the Offer at <http://www.ethex.org.uk/invest/SfSVII>



Bond Offer

How to apply



To make an application to invest in the bonds:

If you are not already a Bondholder with the CBS you will need to make your Investment online through the Ethex website <http://www.ethex.org.uk/invest/SfSVII> where the offer will be listed until the close date or it is fully subscribed if earlier. This is a straightforward and paperless process governed by the Terms and Conditions available at ethex.org.uk

Please note that the offer may also be paused and no further applications accepted, should applications exceed projects ready to be built or acquired at any given time.

Once you have placed your order online you may pay by card or if you choose to pay by bank transfer you will receive an email from Ethex with details on how to make the transfer.

An application may only be made in the name of a single individual with their own email address, who must be 18 or older, or by a co-operative, community benefit society, company or other incorporated association.

Once your application has been approved by the directors of the CBS, Ethex will provide instructions to all applicants regarding when and how their application monies should be available for transfer. Application monies will be held and administered by ShareIn in a client account which is maintained separately from ShareIn's own money in accordance with the rules of the Financial Conduct Authority. Once funds have been drawn down by the Solar for Schools Community Benefit Society, bonds will be allocated to investors. Interest will accrue from the Interest Start Date, 90 days after draw down. First draw down is expected to be mid June. The CBS will then issue Bond certificates as PDFs by email.

Although we are using third parties to assist with the administration of the Bond offer, the Solar for Schools CBS controls and is responsible for the use of your information. We will use your data to keep you up to date with the work of the Solar for Schools CBS. We will not sell, rent or lend your data to other organisations. All new investors to the Ethex platform will need to supply Solar for Schools CBS's agents or Ethex with proof of their identity and address in order to comply with the Money Laundering Regulations 2003. We may have to hold back your bonds until we see the proof.

If you have a query about how to apply, please visit <http://www.ethex.org.uk/invest/SfSVII> or contact Ethex on 01865 403 304 or by email at help@ethex.org.uk. For questions relating to the Solar for Schools Community Benefit Society and the investment opportunity, contact Solar for Schools at bonds@solarforschools.co.uk or by calling 01284 530020.



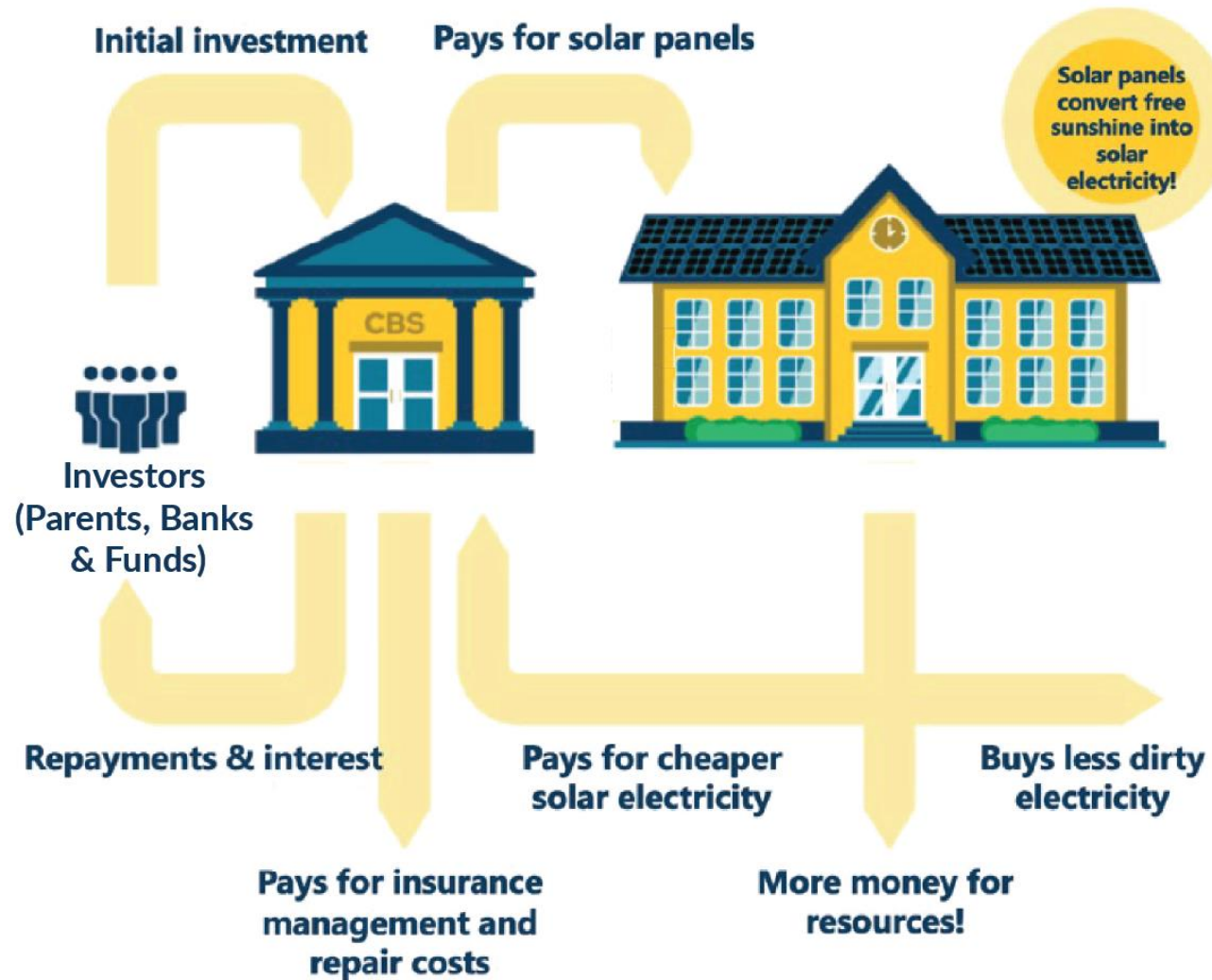
Key Parties

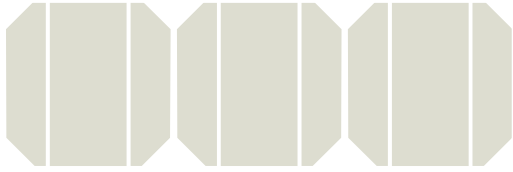
An overview

Solar for Schools CBS Ltd (CBS) will own the solar panels, funded by the Bondholders, and is governed by the Directors, who are elected by the schools.

Solar Options for Schools Ltd (SfS) sources the projects, develops and manages them for the CBS in exchange for management fees and a performance bonus to help fund the delivery of energy and decarbonisation education support to teachers and students.

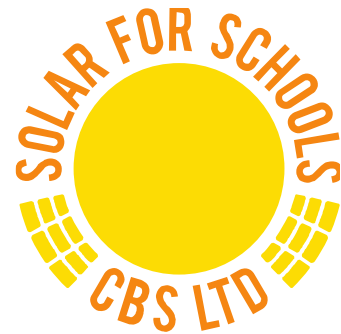
Schools provide the roofs, buy the lower cost solar electricity, receive a share in the profits and have a say in how the CBS is run.





Key Parties

About Solar for Schools CBS Ltd



What makes Solar for Schools CBS different from other companies

The Solar for Schools Community Benefit Society Ltd (CBS) was set-up in 2016 to enable schools in England and Wales to benefit from solar panels without having to invest themselves, yet share in the expected long-term profits, or surplus income, generated by each solar project, despite very low/no government subsidies. The CBS is governed by a cross disciplinary board with a depth of experience in renewable energy funding, sustainability education, funding for education, contract management, managing schools and dealing with solar energy on schools.

Our constitution is in the form of rules registered and approved by the Financial Conduct Authority, which can also be viewed at www.solarforschools.co.uk/funding/cbs. As a community benefit society we are bound to act for the benefit of the community of schools where panels have been installed.

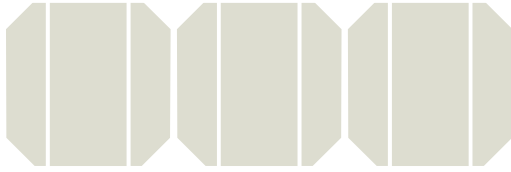
In addition, each school with solar panels provided by the CBS has the right to become a member of the CBS, be nominated as a director and vote on the CBS's directors and how profits are used or distributed at the AGM.

By funding the projects via a CBS, rather than selling the solar panel assets to a conventional investment fund or single investor, profits after re-paying Bondholders and banks can be shared with the schools.

Why not simply sell the electricity to the schools at a lower price in the first place?

Offering the school a lower electricity price rather than a share of any profit increases the risk to investors as there is less margin of error, which in turn would require a higher interest rate to be offered, leading to a higher electricity price. Instead the slightly higher electricity price builds in a margin of error to protect investors but it is then shared with the schools if projects perform as expected. This keeps risk to investors low and maximises the benefit to the school.

Solar Options for Schools Ltd (SfS) manages the monitoring, maintenance & operations and provides administration services to the CBS on behalf of the schools and investors. SfS was set-up in early 2015 and now manages nearly 20,000 solar panels on more than 120 schools in the UK. SfS also markets solar to schools and then helps each school develop the project at no cost to the school. SfS earns a small development fee for each project successfully developed, a management fee and performance bonus based on profits returned to schools. SfS and not the CBS covers the costs of projects development for failed projects or cost over-runs during construction. This ensures projects in the CBS meet the project payback threshold based on agreed assumptions, thus reducing the risk to Bondholders while ensuring long-term interests are properly aligned between SfS, schools and Bondholders.



Key Parties

Solar for Schools CBS Ltd Directors

The Directors combine long-term experience in renewable energy finance, helping schools 'go solar', managing schools and education for sustainable development. The schools that become members of the CBS may propose and elect additional Directors at the AGM.



Wendy Litherland
Assistant
Headteacher,
Director of
Sustainability

15 years' experience leading sustainability initiatives in secondary schools.

Local Eco Cluster Group co-ordinator. Co-facilitates the UK's largest children's environmental conference: NW Eco Schools.

Winner of multiple sustainability education awards including the Climate Week Awards, the SSAT national sustainable schools award and the Department of Education Sustainability Award in 2021.

Co-author of the learning journeys in the Solar for Schools mobile app for students and teachers.

BSc (hons) in Physiology from the University of Manchester, a PGCE MA (Education) and NPQS



Robert Schrimppff
Co-Founder & CEO
of Solar Options for
Schools

10 years' experience in founding and building online businesses such as netXtra and hotels.com followed by nine years' experience investing in renewable energy technology companies at TVM Capital and Greencoat Capital.

M.Eng in Aeronautical Engineering from Imperial College London.

MBA in Entrepreneurship and Finance from INSEAD



Ann Flaherty
Business & Project
Director for Solar
Options for Schools

Over 12 years' experience in solar development on schools using a variety of funding models and has helped set up three solar businesses in the schools market. Worked in education for sustainable development for over 15 years.

Co-creator and developer of an educational platform for HRH Prince Charles' Rainforests SOS campaign, and for the HISTORY's channel: The People Speak, led by Colin Firth. Previous experience in journalism, media and brand marketing.

MSc Sustainable Development.

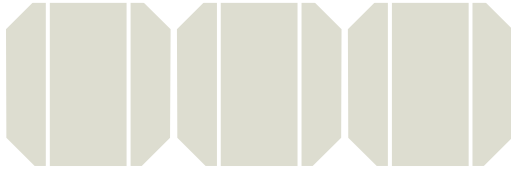


Peter Roberts
Company Director of
Project Management
Consultancy.

25 years' experience in the education sector overseeing the design and contract management of new schools and capital programmes and ensuring project delivery to specifications and budget. Has always been an advocate of sustainable construction and estates strategies.

Has been working with the DfE for the last 10 years as consultant project manager and technical advisor in the Free Schools programme and latterly the new further education estates initiative.

School Governor and Associate of the Chartered Institute of Building.



Key Parties

Solar for Schools CBS Ltd Directors

Continued...

SOLAR FOR SCHOOLS CBS LTD

Solar Bond Offer



Julian Leslie
Head of Network Capability
Electricity at the National Grid

Responsible for identifying future GB transmission network requirements and recommending the best economic option. Also for granting system access (connections) to future generation and managing that access for transmission owners, existing generation, DNOs and demand sites while ensuring GB transmission is operable into the future.

A governor at his local school, he is keen to educate the next generation about the challenges of managing intermittent energy sources.

B.Eng in Electrical and Electronic Engineering (Liverpool University) and Fellow Member of the IET.



Marino Charalambous
CEO of North Star Community Trust

Oversees five schools in North London at the North Star Community Trust, all of which have solar panels managed by Solar for Schools.

Introduced sustainability as part of the Trust curriculum in 2016 and has developed a Trust wide learning culture with the future in mind. Previous experience in finance and project management at HSBC and Siemens Financial Services as well 15 years at Managing Director level experience in digital marketing consultancies and other businesses.

B.Hons Business and Marketing
Member of the Chartered Institute of Marketing.

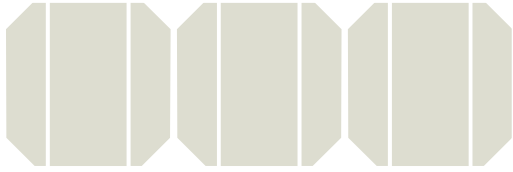
NPQ in Executive Leadership
(University College London)



Nathan Odom
Head of Estates and Admissions for the Discovery Schools Academy Trust (DSAT)

More than 13 years' experience in the education sector, 10 of which have been with a large local authority working with its schools and academies.

A project manager delivering various capital build projects and expansion plans for schools across Leicestershire. Currently, the strategic lead for DSAT's capital strategy for school site improvements with a focus on improving the physical learning environment to support the delivery of high-quality education, ensuring school sites are safe and compliant.



Key Parties

About Solar Options for Schools Ltd

Awards



2016 Rushlight Sustainability Initiative Award Winner



2016 Guardian Sustainability Awards Finalist



2021 UK Innovate £150k grant for mobile education app for students to learn about energy and develop a solar project on their school.



Solar Options for Schools Ltd is a social-impact company funded by a diverse group of individuals and organisations including the Low Carbon Innovation Fund, a £20m EU fund managed by the University of East Anglia which wishes to see Solar for School’s vision fulfilled: enabling every school to save money and contribute to cutting carbon emissions while inspiring the next generation to live more sustainably.

The team combines many year’s experience in solar project development, working with schools on sustainability programmes and funding and managing solar assets remotely. They already manage systems on over 150 schools, totalling over 6MW in the UK, Germany and India. Solar Options for Schools Ltd provides its services and online software platform to local partners and community energy groups in an increasing number of countries.

“Solar for Schools will be an enormous help to schools wishing to reduce their carbon footprint and energy bills and help the next generation to learn about sustainable energy. With the planned cuts to solar subsidies, organisations such as Solar for Schools are key in helping the UK achieve its carbon emission targets.”

James Griffiths

Programme & Fund Manager,
Low Carbon Innovation Fund

Solar Options for Schools Ltd. Is supported by:





(continued)

Purpose

Solar Options for Schools Ltd. was founded in 2015 to combine the use of solar energy with hands-on educational materials and tools to equip children and students with a solid understanding on sustainable climate adaptation through a focus on STEM subjects (science, technology, engineering and mathematics).

While the move to solar energy is an obvious step in the right direction towards reaching net zero carbon, education is considered a key element to bringing the fundamental changes in society necessary to achieve net zero in time. Education for sustainable development and solar combined contribute to at least four of the 17 United Nations Sustainable Development Goals.

The solar panels as the educational instrument

Utilising real-life solar panel systems as an educational instrument, the Solar for Schools teaching materials, website, newsletters and mobile app enable action-based learning in classrooms and through independent learning about energy the environment and decarbonisation. Any school with or without solar panels can join the education programmes. Where the solar panels are funded by the Solar for Schools CBS, the educational programmes are included at no additional cost to the school. Solar for Schools so far works with schools, nurseries and universities in the UK, Germany, India, Colombia and Mexico.





Key Parties

Conflict of interest statement



Robert Schrimppff and **Ann Flaherty** are also directors of Solar Options for Schools Ltd. They were two of the founding directors and helped set-up the CBS. They were re-elected at an AGM when their original term expired. They abstain from voting on any Board approvals related to contracts associated with Solar Options for Schools Ltd. Other than valid expenses, the Directors do not receive any payment as directors, although they are entitled to the small finder fees offered by the CBS to any party making a successful school introduction. They would abstain from approving projects they introduced.

Wendy Litherland was paid by SfS to co-develop the education app and is currently paid a small retainer to help develop education materials for the schools.

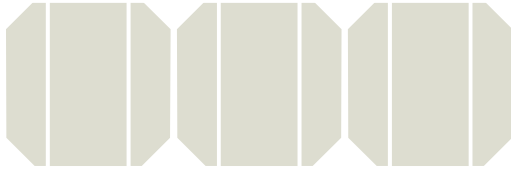
The Directors are not aware of any other actual or potential conflicts of interest.



Solar for Schools CBS Ltd – The Projects

Hollybush Primary School – 278.8 kWp plant installed on 23 July 2021





The projects

Introduction



While over 2,000 schools in the UK managed to 'go solar' during the solar boom before subsidies were cut, over 24,000 remain without solar. Unfortunately, with no subsidies it is very difficult for them to 'go solar' without investing themselves. Yet the environmental impact from direct carbon reduction and behavioural change as a result of sustainability education is more important than ever.

The Solar for Schools CBS enables eligible schools, regardless of their financial situation, to fight climate change while inspiring and helping the next generation to live more sustainably.

Why are schools ideal for solar and solar ideal for schools?

Schools consume electricity mainly during the day, are often large, low buildings with plenty of roof space and very rarely shut or go out of business, making them excellent hosts for solar panels. Furthermore, by placing solar on schools, society as a whole, rather than a private business owner, reaps the long-term financial benefits of additional income and lower electricity costs. Finally, and most importantly, by placing solar on schools and integrating the data from the panels into the curriculum we show the next generation what is possible and what the challenges are to shift our economies to a more sustainable model. **Educating our children, and indirectly their families, will ultimately have a greater impact on carbon reduction than the direct carbon reduction from the panels alone.**

Collectively, UK schools could



Avoid

7.5 million

tonnes of CO₂ emissions over the lifetime of the systems



Inspire

8 million

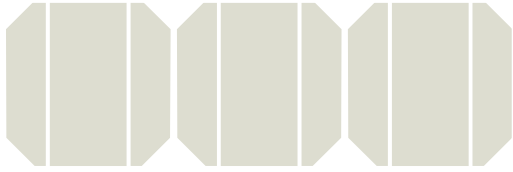
young people to live more sustainably



Save

£ 1 – 2 billion

in electricity costs over 25 years

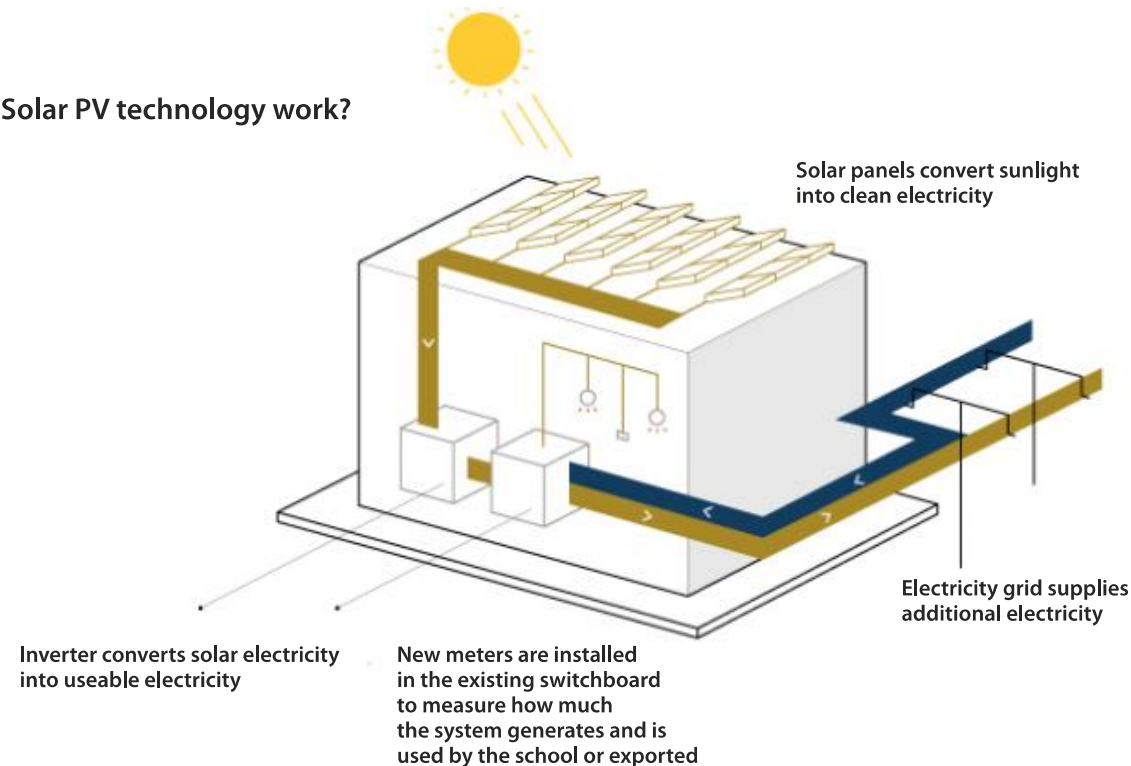


FAQ

Frequently asked questions continued...

As there are no moving parts, solar panels are very reliable, are under warranty for 20 years and are expected to last 30 years or more. Inverters typically have a 10-20 year lifetime and five year warranty and hence reserves are built into the financial model to replace them during the 25-year contract period.

How does Solar PV technology work?



Solar photovoltaic (PV) systems capture the sun's energy using photovoltaic cells. Solar PV cells are made from layers of semi-conducting material, usually silicon. When light shines on the cell it creates an electric field across the layers. The stronger the sunshine, the more electricity is produced, but the PV cells do not need direct sunlight to work – they can still generate some electricity on a cloudy day. Cells are grouped together in panels or modules that can either be mounted on a roof or on the ground. In the case of the solar panels on UK schools, the panels have been mounted to the roof using either roof hooks and struts for pitched roofs or ballasted aluminium frames on flat roofs. Since solar PV cells convert sunlight into DC electricity, inverters are used to convert this into mains voltage AC electricity, which are connected to the school's electricity metering point via remote monitoring and metering equipment.



FAQ

Frequently asked questions continued...

“SASC is keen to support renewable energy projects that lead to enhanced social outcomes as well as environmental benefits. We believe that the Solar Options for Schools’ approach, with the potential for savings on bills as well as benefiting from surplus income, delivers on this and we’re keen to explore how we might be able to support the organisation as its grow”

Jonathan Hick
Investment Manager at
Social and Sustainable Capital



What equipment is used?

The solar panels, mounting equipment and inverters are supplied by a small number of carefully selected tier one manufacturers to avoid being over reliant on any one supplier. They are installed by screened MCS-accredited installation companies that have previous experience installing rooftop-mounted systems on schools. The solar panels and inverters from different manufacturers are interchangeable if required, in the event that equipment should fail and that a particular manufacturer is no longer in business.

Although the panels and inverters are under manufacturers’ warranties, an inverter and equipment reserve is built up within the CBS over time to cover possible equipment failures outside of the warranty. Additionally, the CBS takes out insurance on each system to cover situations where a manufacturer is no longer able to honour the warranties. All installations include a one-year installer’s warranty to cover any installation issues. Thereafter, Solar Options for Schools Ltd provides administration, monitoring and maintenance services, in some cases using the same installation companies as subcontractors, as required, to ensure the systems work at maximum efficiency.

How will I receive my interest payments and repayment?

If you invest via the Ethex IFISA, we will pay interest each year for the 12 month period ending 31 October to your Ethex account in November. If you invest via a normal, non-ISA bond, we will pay you by bank transfer. You can provide your bank account details for payment by contacting bonds@solarforschools.co.uk or updating your records via the www.solarforschools.co.uk website and logging in. You will need to register the first time using the email address you provided to Ethex when you applied for bonds.

How will the Bonds be repaid?

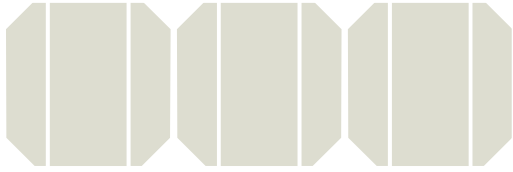
The price each school pays for the solar power is set so as to cover all operating costs and repay funders all capital and interest well within the lifetime of the solar project. I.e. 21-23 years for new projects depending on actual inflation. This would mean that all bond holders would be repaid gradually over 21-23 years or a portion of them would be repaid fully each year starting after the first year. As neither option very appealing to most funders, rather than re-pay gradually, during the first 5 years we re-invest the funds due for repayment in more projects were possible and then refinance them by issuing new bonds every 5 year so that Bondholders can be re-paid in full or invest for a further 5 years until all funding has been re-paid. The Solar for Schools CBS may also repay the bonds early if either it cannot invest surplus funds in further projects or can re-finance earlier at a lower cost and thus enable more schools to go solar. Although we have successfully raised funds 6 times so far there is a risk that we can’t raise new funds after 5 years, in which case we would stop investing in new projects and gradually repay all bondholders over the lifetime of the existing projects in the order of Bondholder preference and need as determined by the Directors of the CBS.



Social Impact



Sarah Finder, SfF's head of education delivering one of our assembly programmes with children at The Dassett CofE Primary School.

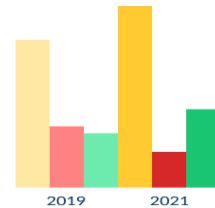


Social Benefits

Education

Learning from buildings not just in them with solar

Solar for Schools has developed a mobile app and growing library of web based teacher materials and workshops over the last few years to enable students to learn about energy, carbon and climate change



Solar Ambassadors – Understand solar potential and drive change

- ✓ Online and mobile app based solar panel system design tool for students.
- ✓ Opportunity to be involved in the design of the PV system.
- ✓ Learning journeys and quizzes on solar, electricity, efficiency and carbon emissions.

Download the app at app.solarforschools.co.uk

Power Detectives – Real data to understand how to live sustainably

- ✓ Curriculum linked lesson plans and teacher guides based on actual data for their school.
- ✓ Project based learning opportunities using real data for graphs and analysis.
- ✓ Compare live data to target results. Understand discrepancies in expectations.

Global Citizens – Share lessons and experiences globally

- ✓ Online workshops on sustainability, climate change, solar energy and climate science.
- ✓ Opportunity to interact with other schools and students in our network.
- ✓ League tables between schools based on learning modules



Social Benefits

Environment

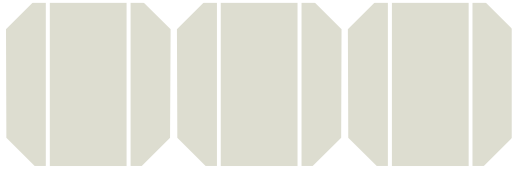
Environmental Impact

In the UK, to generate 1,000 units (kWh) of electricity, up to half a tonne of carbon dioxide is emitted into the atmosphere by conventional power plants. If those 1,000 units are generated from a clean source such as solar power, then that CO₂ is never emitted. A school with about 115 solar panels (30kWp) will generate up to 750,000 units (kWh) of electricity over the lifetime of the system, saving about 150 tonnes of CO₂ from being released into the atmosphere. A similar carbon saving impact could be achieved by planting and looking after about 300 trees for 25 years and then preserving them in such a way that the stored carbon is never released. In addition, the school will also have access to real-time energy consumption data that will enable it to make qualified decisions on other technologies to save costs and further reduce carbon emissions.

The 276kWp system installed at Hollybush Primary School in July 2021 was partly funded by the CBS and partly funded by a decarbonisation grant covering heat pump installation. The system will generate about 90% of the total energy demand of the school including heating and cooling without costing the school more. A great example on how the CBS can work with councils to help decarbonise schools while not increasing their operating costs.



~1,000 tonnes
of CO₂ emissions avoided each year
by the 5,581 kW of projects partly
or fully funded by the CBS so far.



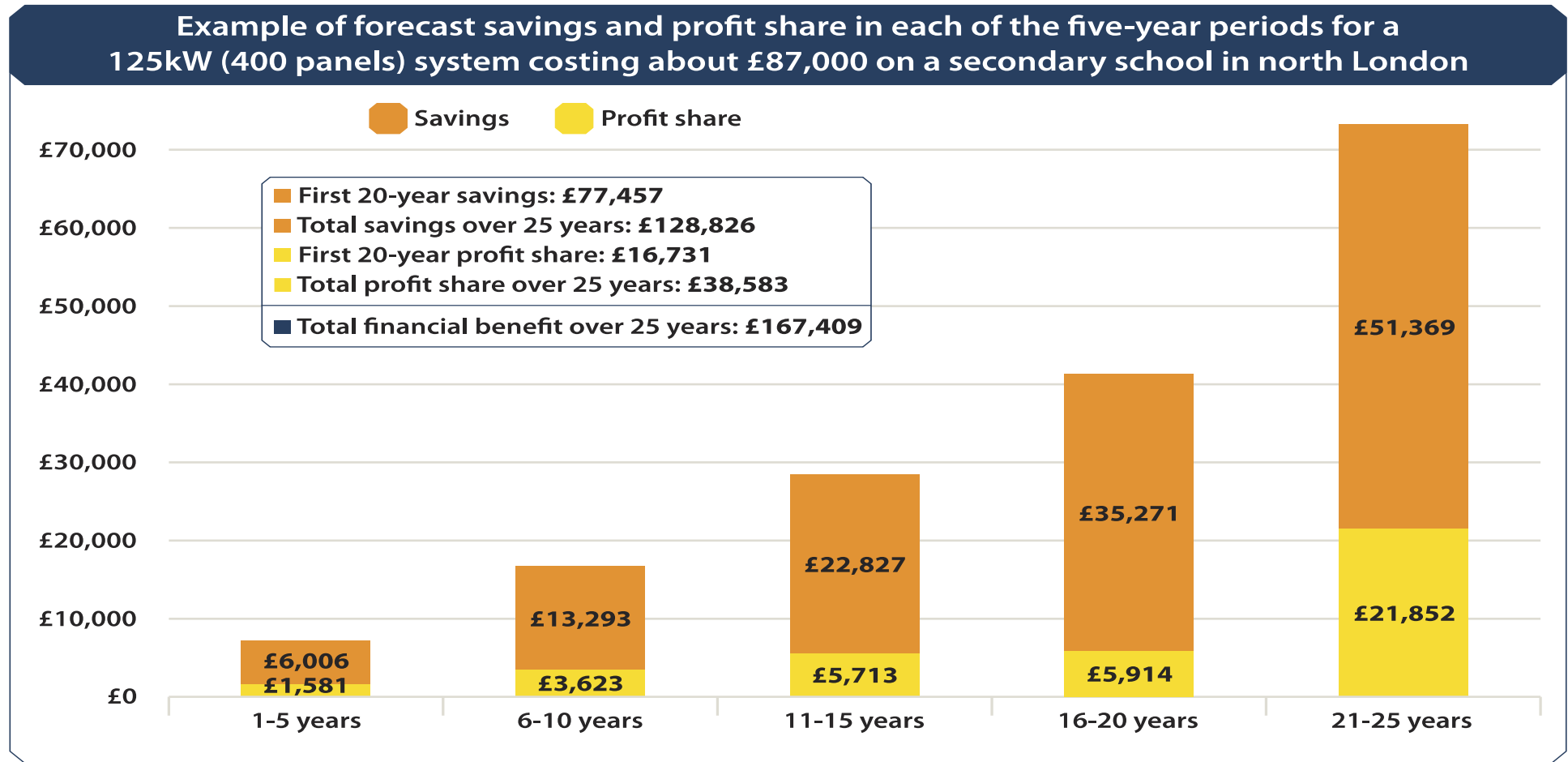
Social Benefits

Financial

The savings from solar electricity and the profit share from the CBS combined mean that for every £500 invested in Bonds, the larger schools will save and receive a total of between £500 and £1,000 over the first 25 years and possibly as much again in electricity savings alone in the following 10 years, once the system has repaid investors completely.

Financial Impact to schools

Example of forecast savings and profit share in each of the five-year periods for a 125kW (400 panels) system costing about £87,000 on a secondary school in north London





Social Benefits

Financial continued...

Electricity savings

Most of the schools that join the Solar for Schools CBS will benefit from small savings on their electricity bills immediately. Given no subsidies, these savings are very modest in the first years, but over time and depending on how electricity prices diverge from inflation, savings can be very significant.

Over the past 15 years, annual inflation (RPI) has averaged 2.7 per cent and electricity prices have risen by an average of 4.7 per cent a year over that same period. Assuming the trend continues, the savings from lower cost electricity would amount to 50-200 per cent of the invested amount: i.e. in the above case £32,000 investment would generate more than £50,000 in electricity savings over 25 years. During 2022, Solar electricity Prices to schools will rise at 7,5%, the highest increase since the CBS started, but schools are expecting to see prices for mains electricity rising by 30-50% in the same period, so relative savings will be higher than originally forecast.

Profit share

Under the terms of the CBS any profits generated over time are given to the schools in proportion to the size and performance of their system. Once financing costs and reserves for repairs are accounted for, the remaining profit share for each school should amount to 25-35 per cent of the value of the initial Bonds over the 25 years of the agreement: i.e. with a 30kW system, assuming all runs according to plan, the school would receive a further £7,000 from the profit share scheme.

Assuming the CBS deploys a total of £2m on new school projects over the next 12 months, these schools will see a financial benefit, based on savings and income from the CBS, of £2m - £4m over the lifetime of the system depending on how well the systems perform, inflation and mains electricity prices.

To see how much a school near you could save with solar visit www.solarforschools.co.uk Find the school using the search box and then register to see the initial estimates. Note: it is not currently possible to deliver upfront savings to smaller schools unless they are in a very sunny location, but as mains electricity prices continue to rise, solar becomes an economically viable option on more and more schools.



Investment Opportunity

In detail

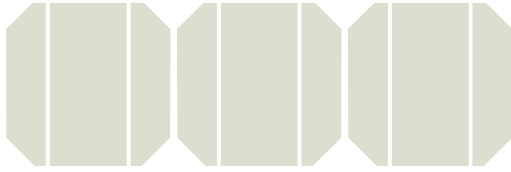


The Bonds are in the form of an **unsecured investment** in the whole of the Solar for Schools Community Benefit Society's business, i.e. the solar panels it owns on the schools. Although the Directors have ensured that the revenue generated by the solar panels on the schools alone should be sufficient to pay for all capital and interest on the Bonds over the lifetime of the project's operation, **there is no guarantee that an investor will receive their interest payments or even their capital sum back**. The financial projections are based on information provided by Solar Options for Schools Ltd and are deemed to be prudent. The CBS does not operate under an 'asset lock', in other words the CBS could, for example, sell the projects back to the school or a third party investor if it is in the interest of the schools or Bondholders. The Directors believe that no facts have been omitted which would render any such reproduced information inaccurate or misleading.

Financial projections

The financial projections are based on the following assumptions:

- The solar panels on UK schools have an operational lifetime of 25-30 years. The financial model assumes all investors are re-paid in full within the first 23 years and as such electricity prices to the schools in subsequent years could be lowered significantly to a point determined by maintenance costs only.
- Electricity production for each site is based on PVGIS forecasts (a widely used energy forecasting tool) using industry standard assumptions.
- The proportion of solar electricity consumed by each school is based on Solar Options for Schools' analysis of the school's total annual consumption and data collected from the 80-plus school systems currently under management by Solar Options for Schools Ltd in the UK. Whilst it is impossible to predict exactly what percentage of the energy generated will be consumed by any given school, across a portfolio of schools accuracy is expected to be within 5 per cent and assumptions are designed to err on the side of caution. Should the assumptions be incorrect and consumption be less than forecast, the long-term profits share to the schools will be lower. Conversely if schools consume more of the electricity generated, their profit share will be greater: i.e. schools increase their pupil numbers (population demographics indicate an increasing population in the UK) are incentivised to consume as much of the solar electricity as possible by for instance shifting consumption to peak generation times. School closures such as those related to COVID, reduced self-consumption rates between mid 2020 and mid 2021 by about 30%, and had a material impact on revenues during that period, should this happen for more than 3-4 years, returns to investors could be at risk.
- The price paid by each school is determined by the online calculator and based on the above assumptions and determined so that the underlying project delivers sufficient cashflow to pay interest and repay capital within 23 years, after all operating costs, fundraising and fund management costs as well as inverter reserves. This should allow sufficient margin of error (two further years) to ensure investors' returns and repayments are covered.
- The system costs of each project – including project management, planning, surveys, equipment, installation, testing and commissioning – are based on open book costs and the agreed success fees per project. Should a project come in below the forecast cost, the benefit passes to the CBS. Should a project come in above costs, Solar Options for Schools Ltd is obliged to absorb the costs. In the event of multiple projects being installed at the same time, under-costs in some projects may be used to offset overruns in other projects as long as the minimum required return is achieved.
- RPI, to which all costs and electricity price sales are indexed, is set to 2.7 per cent in the model, which is the UK average for the 15 years up to the end of 2020. Negative RPI inflation will not result in a reduction in the electricity price sales. In comparison, mains electricity price inflation is assumed to be 4.7 per cent a year and is also based on the average for the 15 years up to end of 2020. Electricity prices rose by an average of just over 10 per cent in 2019. The average daytime price paid for electricity at a school has risen to 13.5p in 2020 and expect it to rise to nearly 18p this year. Although a few schools on older contracts are still paying as little as 10p, recent contracts are above 17p a unit.



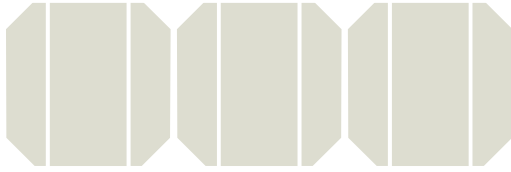
Investment Opportunity

In detail continued...

The table shows a 80kW system costing nearly £65,000 in a reasonably sunny location. The savings for a school will depend on where it is located and thus how much electricity the system will generate. The financial model then sets the price the school must pay for electricity to repay funders capital an interest after all operating costs for the asset and a share of overall insurance, fund raising and fund management costs. The surplus cash generated by the systems will initially be held back as additional reserves, but as these grow and it becomes clear that system is performing as planned or better they will be paid out to the schools.

- Degradation in solar panel performance is assumed to be 0.5 per cent a year. Solar panel performance warranties apply if the panels decay at more than 1 per cent a year.
- The projects continue to be insured for risks such as damage to equipment, roofs and third parties.
- If any one of the assumptions on this page is not being realised, it is likely to result in adjustments to the financial projections with small changes reducing the profit share to schools and larger changes ultimately requiring an extension of the loan re-payment period to ensure Bondholders are re-paid.

EXAMPLE SUMMARY TABLE OF A SINGLE NEW PROJECT, EXCLUDING SHARE OF OVERALL CBS COSTS							
Period	Year 1	Years 2 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 20 to 25	Totals
Generation (kWh)							
80 kWp system	72,000	284,418	347,596	338,993	330,602	322,419	1,696,028
Income (indexed to RPI)							
Exported electricity sales (NOT Guaranteed!)	1,382	5,867	8,157	9,177	10,325	-	34,909
Electricity sales to school	6,504	27,604	38,375	43,175	48,577	54,654	218,888
Total Income	7,886	33,471	46,532	52,352	58,902	54,654	253,797
Costs (indexed to RPI)							
Admin costs incl. monitoring, insurance, rates, inspections	2,249	9,668	13,748	15,860	18,297	21,109	80,930
Fund/investor management costs (not indexed)	649	2,594	3,243	3,243	3,243	3,243	16,213
Total Costs	2,898	12,262	16,991	19,103	21,540	24,352	97,143
EBITDA							
Net revenue before repayments	4,988	21,209	29,541	33,249	37,362	30,302	156,654
Loan							
Loan (Bond) repayments	1,771	7,821	11,671	14,199	17,276	12,114	52,738
Interest payments	2,594	9,639	10,155	7,626	4,550	982	34,564
Total payments to investors	4,365	17,460	21,826	21,825	21,826	13,096	87,302
Profit							
Surplus for repairs, spare parts & dismantling	139	597	849	979	1,130	1,304	4,998
Remaining surplus available for distribution	623	3,714	6,432	8,894	11,568	13,937	45,169
Total profit/surplus including reserves	762	4,311	7,281	9,873	12,698	15,241	50,167
Benefit to school							
Electricity savings (£)	840	4,970	10,605	16,924	25,165	35,829	94,334
Profit share to school (£)	312	1,857	3,216	4,447	5,784	6,969	22,585
Total financial benefit for school	1,152	6,827	13,821	21,371	30,949	42,798	116,919



Investment Opportunity

In detail continued...

This bond offer is Innovative Finance ISA (IF ISA) eligible, which means that eligible investors can use their £20,000 per year ISA allowance to invest into an IFISA wrapper provided by Ethex and receive their interest payments free of tax.

Operating Costs

The main operating costs of the solar panels on UK schools are:

- Payment of interest and repayment of principal to Bondholders and any social investors that may subsequently invest in the projects to re-finance and re-pay Bondholders.
- Payments to Solar Options for Schools Ltd for ensuring the proper running of the systems on each school in the portfolio under the Operations and Maintenance contract, which may also subcontract services such as monitoring or inspections to third parties as required.
- Insurance, rates and other applicable taxes such as corporate and value added tax.
- Build-up of reserves to cover inverter replacements and eventual dismantling of the system in later years.
- Other third party costs, such as accounting, auditing and costs related to administering and managing payment to funders.

Offer Costs

The costs of fundraising up to £3m for the CBS, including this Bond Offer, are expected to be between 4 and 4.5% depending on source. This includes initial preparation of materials, legal advice and third party marketing costs related to the Offer, such as Ethex's fundraising and administration fees. All set-up costs associated with making this offer are being met by Solar Options for Schools Ltd. The Solar for Schools Community Benefit Society will only pay Solar Options for Schools Ltd up to 4.5% per cent of the funds actually raised at any point towards these costs. The CBS is not liable for any other costs and hence protected from failed fundraising costs.

Tax

The tax treatment of a Bondholder will depend on the Bondholder's circumstances and the law and practice in force at the relevant time and may therefore be subject to change. If applicants are in doubt about their tax position they should seek advice from a suitably qualified professional. The comments below do not constitute advice and are of a general nature, based on current UK law and practice. They relate only to UK tax treatment of interest payable on the bonds. The comments do not deal with any other UK tax implications of acquiring, holding or disposing of bonds, and relate only to the position of bondholders who are the absolute beneficial owners of the bonds.

Solar for Schools Community Benefit Society Ltd (CBS) will **pay interest to Bondholders without deducting any amount by way of tax as community benefit societies have an exception from withholding tax rules. Applicants should be aware that they may need to pay tax on that interest, and therefore may need to declare it to HMRC.** For many applicants, this should be done by declaring the interest they earned from Solar for Schools CBS on a self-assessment tax return. From the 6 April 2016, UK basic rate taxpayers are able to earn up to £1,000 in savings income, tax-free on non ISA bonds. Interest paid to ISA bonds held with Ethex is tax free and can be re-invested within the Ethex platform without counting as part of your annual ISA allowance.



Main Contracts

Solar development agreements with each school

Each school signs a 25-year roof license and power purchase agreement with Solar Options for Schools Ltd.

This entitles Solar Options for Schools Ltd to:

- 1) An exclusivity period in which to develop the project at no cost to the school.
- 2) Use of sufficient school roofs to host the solar panels for 25 years.
- 3) Sell electricity to the school at the agreed price, adjusted annually by RPI for 25 years.
- 4) The right to assign the agreement to a third party, i.e. the CBS.

The Agreement in turn entitles the schools to:

- 1) A 25-year green electricity supply contract at a guaranteed price indexed to RPI.
- 2) A fully insured system covering any damages to the solar panels or from the solar panels.
- 3) The right to have the system removed at no cost after 25 years or take over ownership of the panels at no cost.
- 4) Access to project based energy and carbon education materials linked to the panels and curriculum provided by SfS.

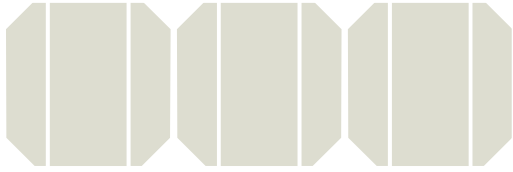
In addition, under the rules of the CBS, each school is entitled to:

- 1- Receive a share of any profits or surplus in the project after all operating and financing costs.
- 2- Become a member of the CBS and vote at the AGM on distribution of profits and election of directors.

Project development framework agreement

The Solar for Schools Community Benefit Society has agreed to purchase all projects that meet the investment threshold requirements of the financial model in exchange for paying Solar Options for Schools Ltd a contribution to the acquisition, development, design and project management costs of £1,500 + £70 per kW +VAT per school system. It is worth pointing out that overall costs per kWp, including development costs, is usually below the cost quoted for such a system from a solar PV installer. This is achieved through automation of the development processes, central buying of equipment with no margin added and negotiated installation framework agreements with installers. Solar Options for Schools is also entitled to performance bonus linked to distribution of profits to the schools. Solar Options for Schools Ltd is not refunded for development work or third party costs on projects that fail to meet the criteria of the CBS. All third party costs to develop each successfully approved project, as well as all installation and equipment costs, are paid for by the Solar for Schools Community Benefit Society directly, but any cost overruns above the costs assumed in the financial model for each system approved by the CBS are borne by Solar Options for Schools Ltd (SfS); i.e. the CBS does not carry any construction cost overrun risks, these are born entirely by SfS.





Main Contracts

Continued...

Fundraising and fund management agreement

Solar Options for Schools Ltd's (SfS) work in assisting the Solar for Schools Community Benefit Society (CBS) in preparing and paying for all documentation, negotiating and paying third party sources of finance including advisors, funds and banks as well as costs of any administration during the fundraising process are born by SfS at their own risk and is re-funded on a success basis only at a rate of 4,5% per cent of the funds actually deployed on new projects. SfS uses these fees to pay for the Ethex platform fees of about 3% of funds raised.

Annual costs to administer the investor registry, deal with investors enquiries and arrange interest and repayments to investors are born by Solar Options for Schools Ltd (SfS). The CBS pays 1 per cent of total initial funds raised to SfS to perform these services. The agreement will run until three months after all investors have been repaid in full. SfS is working on reducing future fundraising and fund management costs and once achieved and proven, intends to pass the savings on to the CBS.

School introducer agreements and partners

A number of third party introducers and marketing companies to schools are used to approach and work with news schools. This helps keep sales costs to a minimum, they are rewarded on a success basis only. Approved introducers are entitled to receive a per kWp fee for any system successfully installed. Fees are paid by the CBS once the system is operating. In addition, Solar Options for Schools works with local energy consultants and community energy groups to develop projects on schools, some of which may be funded by the CBS. If you are interested in partnering or simply want to help develop a project on a school you know well, please contact ann@solarforschools.co.uk.

Note: While we can't pay introduction fees for introducing investors to this offer as already paying Ethex's platform fees, introducing Solar for Schools to other likeminded investors could make a big difference to our ability to raise funds and help more schools.



Risk Factors

Industry and Project

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity.

The bonds are unsecured and there is no guarantee that an investor will receive their interest payments or even their capital sum back. Bonds of this type are not covered by the Financial Services Compensation Scheme (FSCS).

If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a professional adviser authorised under the FSMA who specialises in advising on investment in unlisted debt, shares and other securities.

The Directors believe the following risks to be the most significant for potential Bondholders. However, they do not necessarily comprise all those associated with an investment in the Bond and are not intended to be presented in any order of priority.

1. Industry risks

a. Government legislation: Once each system is installed and registered, where applicable the subsidy tariff is fixed for 20 years. However, changes in government legislation may affect the profitability of the CBS's renewable energy projects. While government subsidies were in place, the price paid for any spare electricity not used by the school and exported to the grid was guaranteed by the government. The model assumes that we will continue to sell electricity to green electricity providers such as Good Energy at similar prices. (~5p a unit) adjusted to inflation over the next 20 years. This is very likely for at least the next 5 years, but no longer guaranteed for the full 20 years as before. Income from export is generally less than 20% of total income for projects in the future, but if electricity export prices halved within 10 years, the CBS could struggle to pay back interest and even capital.

b. Electricity prices: If mains electricity prices fell rather than rose over time as expected, schools might default on their contract with the CBS and refuse to pay the contracted price for solar electricity if higher than mains electricity. This risk is partly reduced by the schools' entitlement to a profit share that should counteract the higher contracted solar electricity price vs. lower mains prices.

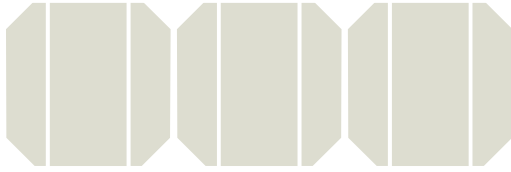
c. Interest rates: By offering an inflation linked interest return to bondholders, the risk to the CBS and Bond holders is reduced. Previously 5% interest was offered regardless of inflation, yet the income to the CBS is adjusted to RPI. Therefore in cases of low inflation real returns to bond holders were too high and the CBS and schools suffered. Simply offering 2% fixed now would conversely be unfair on bondholders at current inflation rates. By adjusting interest paid by RPI both parties are shielded from normal inflation rate changes. In the event that inflation rates became negative or rose by more than 3% a year, the CBS would pay a minimum of 2% and a maximum of 5% total interest in any year.

2. Project-specific risks

a. Mechanical failure: Installations will be insured for damage, breakdown and loss of income in line with standard industry practice. However, there will be interruptions to the generation of electricity from the installations once built, caused by damage to or mechanic/electrical failure of equipment or roof maintenance work at the school.

b. Solar PV performance: The assumptions around energy generation levels each year are based on project capacity and yield calculations based on methodologies commonly used by the industry. However, long-term changes to weather patterns and/or equipment under performance may result in lower levels of electricity generation and therefore income. Generation so far for the portfolio of schools with at least one full year of data has been within 1% of target.

c. Schools default: Over 80% of income to the CBS is from the sale of electricity to each school. Therefore, should a school default on the agreement or shut down, revenues for those schools could be up to 60 per cent lower as the electricity would be exported at about 5p instead. The impact of such a reduction on the entire portfolio of a single project failing in this way in the later years is very small, but if multiple schools defaulted in the early years, the CBS may not be able to meet its repayment schedules.



Risk Factors

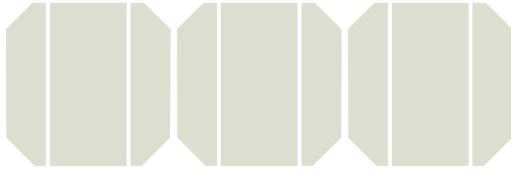
General Investment



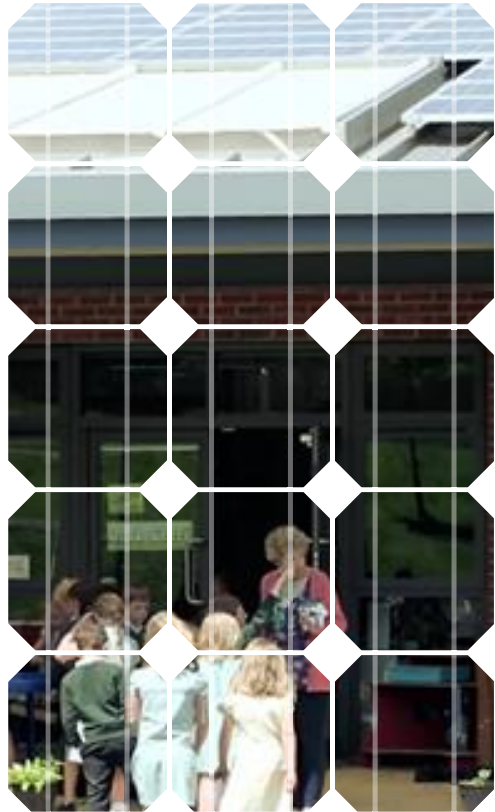
d. Schools consume less solar electricity than forecast: Solar electricity “self-consumption” rates are calculated based on comparing new schools to historic data of more than 70 systems installed on schools so far. The systems are then under sized to ensure sufficiently high self-consumption rates across the portfolio of schools and the forecasts are therefore expected to be within about 5 per cent of actuals. If many schools actually consume significantly less than forecast, the reduction in income to the CBS could result in the CBS not being able to meet its forecast repayment schedules if the shortfall is greater than the profit share. School closures as a result of COVID measures have resulted in schools consuming less solar electricity than forecast. If such events were to become typical, the CBS is unlikely to be able to pay 5% interest as it did in the past.

3. General investment risks

- a. Capital Risk:** Investment in smaller, new and unquoted businesses is likely to involve a higher degree of risk than investment in larger, established companies and those traded on a stock exchange. Investing in Bonds is not the same as investing money in a bank account as your capital is at risk and you could lose up to, but no more than, your entire investment.
- b. Repayment:** An investment in a Bond of this type is speculative and involves a degree of risk. The Solar for Schools Community Benefit Society’s ability to repay the Bond on the repayment date, or at all, is dependent on the continued success of its business.
- c. Security:** The Bonds are an unsecured investment and will rank behind secured or preferential creditors. In the event of the Solar for Schools Community Benefit Society’s financial failure, the Bonds would have the status of an unsecured creditor and may not be capable of being repaid in full or at all should the proceeds from a sale of the Solar for Schools Community Benefit Society’s assets fail to cover all unsecured liabilities.
- d. Liquidity:** Although Bonds are transferable, they will not be traded on a recognised exchange and are therefore non-readily realisable.
- e. Long-term commitment:** Applicants should consider investment in the Bonds as a long-term commitment until the repayment date as the original amount invested may not be available to them before the repayment date as there is no guarantee of repayment if a request is made to do so by the Bondholder.
- f. Bond redemption:** Bondholders will have the contractual right to full redemption of their Bonds at the end of the initial term. The Solar for Schools Community Benefit Society’s ability to repay the Bonds at this point is dependent on it being able to secure finance from third parties and/or future bond investors. The Directors are committed to managing Solar for Schools Community Benefit Society’s business with a view to ensuring a range of options are available to enable it to repay the Bonds and the interest due on them. However, there is no guarantee that there will be sufficient finance available to repay all the bonds at this point.
- g. The Bonds are not covered by the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS):** This means if the Solar for Schools Community Benefit Society Ltd does not fulfil the terms of the Bond Instrument there is no right to complain to FOS or to get compensation from FSCS.
- h. Past performance is not necessarily a guide to future performance:** Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future.
- i. Financial projections:** Hopes, aims, targets, projections (including the financial projections in this Offer), plans or intentions contained in this document are no more than that and should not be construed as forecasts.



Glossary



Applicant: A person or organisation requesting Bonds through submission of an Application Form.

Application: A request for Bonds made in accordance with this Offer Document and the Terms and Conditions.

Application Monies: Funds received from applicants in response to this Offer.

Assumptions: The assumptions set out on page 28 in relation to the Financial Projections.

Bonds: The Bonds to be issued by Solar for Schools Community Benefit Society as constituted by a Bond instrument dated 24 March 2022, a copy of which is found in the Appendix.

Bondholder: A person who has been issued Bonds by the Solar for Schools Community Benefit Society.

CBS: Solar for Schools Community Benefit Society Ltd, a society, set up to fund and hold solar panels for schools and registered under the Co-operative and Community Benefit Societies Act 2014 as a community benefit society with registration number 7364.

Community Benefit Society: A legal entity managed for the benefit of the community that is owned by its members, who are protected by limited liability status. Its constitution is in the form of rules approved by and registered with the FCA.

Directors: The directors of Solar for Schools CBS Ltd.

FCA: The Financial Conduct Authority. More information on the FCA and societies they oversee can be found at www.fca.org.uk/firms/mutual-societies.

FIT: Feed in Tariff, A 20-25 year UK government subsidy available to solar plants installed before 2019.

Financial Projections: The financial projections for Solar for Schools CBS is set out on page 28.

Financial Ombudsman Scheme: The FOS was set up by parliament; the Financial Ombudsman Service is the UK's official expert in sorting out problems with financial services.

Financial Services Compensation Scheme: The FSCS is the compensation fund of last resort for customers of authorised financial services firms. **Main**

Contracts: The contracts described on pages 31-33 in this Offer Document.

Maturity or Repayment Date: The date on which applicants will be repaid the money used to purchase their Bonds, being 31 October 2027.

Maximum Sum: The maximum value of Bonds to be issued under this Offer, being £3,000,000.

Member: A member of Solar for Schools Community Benefit Society, usually a school or Director.

Offer: The offer of Bonds issued by Solar for Schools Community Benefit Society contained in this Offer Document.

Offer Document: This financial promotion document describing the Offer.

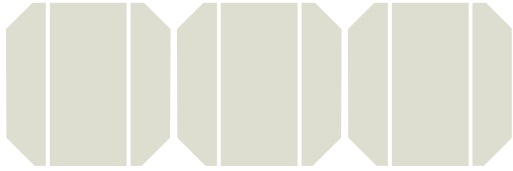
Portfolio: The collection of solar panel systems on UK schools owned or to be owned by Solar for Schools CBS Ltd.

RPI: Refers to the Retail Price Index (calculated by reference to the RPI of the previous December) as published by the UK's Office for National Statistics.

Rules: The rules of the Solar for Schools Community Benefit Society, which can be viewed www.solarforschools.co.uk/funding/CBS.

SfS: Solar Options for Schools Ltd, a social impact company working to help more schools go solar, registered in England under Company Registration no: 9812345.

Terms and Conditions: The terms and conditions of the Offer as set out in the Solar for Schools Community Benefit Society solar bond offer.



BOND INSTRUMENT VII

THIS INSTRUMENT is made by way of Deed Poll on Thursday 24 March 2022.

BY SOLAR FOR SCHOOLS CBS LIMITED a community benefit society registered with the Financial Conduct Authority with registration number 7364 and whose registered office is at Falcon House, 3 King Street, Castle Hedingham, Halstead, Essex, CO9 3ER (CBS)

Recital

CBS has, by resolution of its board of directors passed on Thursday 24 March 2022, resolved to create a further £5,000,000 of unsecured bonds to be constituted in the manner set out below.

Agreed terms

1. Definitions and interpretation

1.1 The definitions and rules of interpretation in this clause apply in this instrument. “**Annual or Year**” means 365 days in any given year, including any leap year. “**Bondholder**” means each person for the time being entered in the Register as a holder of any Bonds.

“**Bonds**” means up to £3,000,000 unsecured bonds constituted by this instrument or, as the case may be, the amount of such bonds for the time being issued and outstanding.

“**Business Day**” means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

“**Certificate**” means a Certificate issued by CBS under clause 4.

“**Conditions**” means the conditions set out in Schedule 1: as from time to time amended and Condition shall be construed accordingly.

“**Directors**” means the board of directors of CBS for the time being.

“**Ethex**” means Ethex Investment Club Ltd, a company registered in England and Wales with number 07432030 and registered office at The Old Music Hall, 106-108 Cowley Road, Oxford, Oxfordshire, OX4 1JE, which operates the website ethex.org.uk on which the Offer will be available to view and invest in.

“**Event of Default**” means any of those events specified in clause 6.

“**Group**” means CBS and any subsidiary or holding company from time to time of CBS (and the expression member of the Group shall be construed accordingly).

“**Interest Rate**” means (a) 2% interest plus a RPI adjustment (calculated by reference to the RPI of the previous December). I.e. the RPI in December 2021 sets the interest rate for the Period starting 1st November 2022. The total interest will not exceed 5% paid pro rata from the Interest Start Date and calculated on the 31st October of each year; and (b) 2 per cent interest plus the rate of inflation (as set above) per year for any subsequent period until the Repayment Date; i.e. if RPI was 1%, Bond holders would receive (2% + 1% = 3%. In the event of negative RPI or RPI greater than 3% the Interest rate would have a floor of 2% and a cap of 5%.

“**Offer**” means the offer of Bonds issued by CBS contained in the Offer Document and made subject to the terms and conditions below.

“**Offer Document**” means the financial promotion describing CBS’s offer of Bonds.

“**Register**” means the register of Bondholders kept and maintained by CBS in accordance with clause 5.

“**Repayment Notice**” means the notice of repayment found on the reverse of each Certificate.

“**Repayment Date**” means (i) the 31st October 2027 or (ii) any previous anniversary of that date if requested by the Bondholder with 3 months’ notice and accepted by the CBS or (iii) a date proposed by the CBS and agreed to by the Bondholder in writing or (iv) any such other date as stipulated in each Offer and Bond Certificate.

“**RPI**” means Retail Price Index (calculated by reference to the RPI of the previous December) as published by the UK’s Office for National Statistics.

“**Special Resolution**” means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting on a show of hands or, if a poll is demanded by a majority consisting of not less than 75% of the votes given on such poll.

“**Interest Start Date**” means the date from which interest will start to accrue. If no date is specified for the Interest Start Date on the Offer or Bond Certificate, then the Interest Start Date shall be the same as the Issue Date.

“**Total Bonds**” means up to £7,000,000 unsecured bonds constituted by this and previous instruments or, as the case may be, the amount of such bonds for the time being issued and outstanding.

1.2 Any reference in this instrument to:

1.2.1 an encumbrance shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;

1.2.2 a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);

1.2.3 repayment includes redemption and vice versa and the words repay, redeem, repayable, redeemed and repaid shall be construed accordingly.

1.3 References to any statute or statutory provision shall be construed as a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.4 In construing this instrument general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word “including” shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.5 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.6 The Schedules (including, for avoidance of doubt, the Conditions) form part of this instrument and shall have effect and shall be binding on the Bondholders as if set out in full in the body of this instrument. Any reference to this instrument includes the Schedules.

2. Amount, Description and Status of Bonds

2.1 The total principal amount of the Bonds in this Bond Instrument is currently limited to £5,000,000 and the Bonds shall be issued in integral multiples of £1 by CBS.

2.2 The minimum investment shall be £500 per person or organisation or as otherwise stipulated in the Offer.

2.3 The Bonds when issued shall rank pari passu equally and rateably without discrimination or preference among all Bonds issued by the CBS and as an unsecured obligation of CBS.

3. Repayment and Interest

When the Bonds become payable in accordance with the provisions of this instrument, CBS shall pay to the Bondholders the full principal amount owing to each Bondholder together with any accrued interest on such Bonds then outstanding (less any tax which CBS is required by law to deduct or withhold from such payment).

4. Certificates

4.1 Each Certificate shall be issued to a Bondholder substantially in the form set out in Schedule 4 and shall be executed by CBS and have the Conditions endorsed on or attached to it. Each Bondholder shall be entitled to receive without charge one Certificate registered in his name.

4.2 When a Bondholder transfers or redeems part only of his Bonds, the old Certificate shall be cancelled and a new Certificate for the balance of such Bonds shall be issued without charge.

5. Register

5.1 CBS shall, at all times, keep a Register at its registered office (or at such other place as CBS may from time to time have appointed for the purpose and have notified to the Bondholders).

5.2 The Register shall contain the following details:

5.2.1 the names, email and addresses of the Bondholders and the date on which the name of the Bondholder is entered on the register;

5.2.2 the principal amount of the Bonds held by each Bondholder; and

5.2.3 the date of issue, Interest Start Date if different and type of each Bond, together with all subsequent transfers and changes of ownership of each Bond.

5.3 Any change of name, email or address by any Bondholder that is notified to CBS at its registered office address above shall be entered in the Register.

5.4 Any Bondholder may, by written notice to CBS, request to be informed of the information regarding that Bondholder held in the Register and require CBS promptly to rectify an error in the Register in relation to that Bondholder.

6. Default

6.1 The following are Events of Default:

6.1.1 Non-payment: except in the event of technical irregularities or in circumstances where CBS remedies any such default within a reasonable period of being notified, CBS fails to pay any principal or interest on any of the Bonds within 10 "Business Days after the due date for payment and CBS being notified thereof;

6.1.2 Breach of undertaking: CBS materially fails duly to perform or comply with any obligation (other than an obligation to pay principal or interest in respect of the Bonds) expressed to be assumed by it in this instrument and such failure continues for 10 days after written notice has been given by any Bondholder requiring remedy thereof;

6.1.3 Insolvency: CBS or any member of the Group is insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of all or any material part of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, any of its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;

6.1.4 Enforcement proceedings: A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of CBS or any member of the Group and is not discharged or stayed within 10 days;

6.1.5 Winding-up: CBS or any member of the Group takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bonafide, solvent scheme of reconstruction or amalgamation previously approved by Special Resolution) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;

6.1.6 Analogous proceedings: Anything analogous to or having a substantially similar effect to any of the events specified in clause 6.1.3 to clause 6.1.5 inclusive shall occur under the laws of any applicable jurisdiction;

6.1.7 Encumbrance enforceable: Any encumbrance on or over the assets of CBS or any member of the Group becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;

6.1.8 Cessation of business: CBS or any member of the Group ceases to carry on the business it carries on at the date of this instrument or a substantial part thereof; and 6.1.9 Illegality: It is or becomes or will become unlawful for CBS to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding.

7. Acceleration

If, at any time and for any reason, any Event of Default has occurred, the Bondholders may by Special Resolution or by written notice to CBS from Bondholders holding more than 50% in nominal value of the Bonds then issued and outstanding, at any time while such Event of Default remains un-remedied and has not been waived by a Special Resolution, direct that the principal amount of all Bonds, all unpaid accrued interest and any other sum then payable on such Bonds shall become due and payable immediately and such amounts shall be immediately payable by CBS to the Bondholders (in each case less any applicable taxes).

8. No set-off

Payments of principal and interest under this instrument shall be paid by CBS to the Bondholders, and the Bonds shall be transferable in accordance with the provisions of Schedule 2, without any deduction or withholding (whether in respect of any set-off, counterclaim or otherwise whatsoever) unless the deduction or withholding is required by law.

9. Meetings of Bondholders

The provisions for meetings of the Bondholders are set out in Schedule 3.

10. Enforcement

10.1 From and after the date of this instrument and so long as any amount is payable by CBS in respect of the Bonds, CBS undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.

10.2 The Bonds shall be held subject to and with the benefit of the provisions of this instrument, the Conditions and the schedules. All such provisions shall be binding on CBS and the Bondholders and all persons claiming through or under them respectively, and shall enure for the benefit of all Bondholders, their personal representatives, successors and permitted assigns.

10.3 Except as expressly provided in this clause 10.3, a person who is not a party to this instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This instrument and the Bonds are enforceable under the Contracts (Rights of Third Parties) Act 1999 by each Bondholder.

11. Modification

The provisions of this instrument and the Conditions and the rights of the Bondholders may from time to time be modified, abrogated or compromised in any respect by Special Resolution and with the consent of SFS-CBS.

12 Governing law and jurisdiction

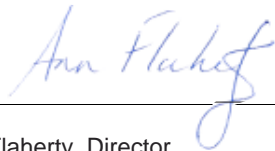
12.1 This instrument and the Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

12.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this instrument or any Bond or their subject matter or formation (including non-contractual disputes or claims).

Executed by SOLAR FOR SCHOOLS CBS LTD, acting by two directors:



Robert Schrimppff, Director



Ann Flaherty, Director

Dated: 24 March 2022

Schedule 1: Conditions

1. Priority

Any payments due to Bondholders under the terms of this instrument shall be satisfied in priority to any payments to members (Schools) of CBS as interest payments on members' share capital.

2. Repayment and option to redeem

2.1 Subject to Condition 3, all Bonds not previously redeemed (in whole or in part) before the Repayment Date may be repaid, subject to available funds and Directors' discretion by CBS within 30 days of the Repayment Date, at par, together with interest accrued up to and including the date of redemption, on the occasion that:

In the case of a Bondholder wishing to redeem their Bonds as at 31 October in any year, the Bondholder completes the Repayment Notice and returns the same to CBS in accordance with the instructions printed thereon so as to be received by CBS at least 3 months prior to the relevant Repayment Date.

3. Voluntary early repayment by CBS

3.1 CBS may, by giving Bondholders the same period of notice as Bondholders are required to give under Condition 2, offer to repay the principal amount of all or a portion of the Bonds on the date specified in such notice. CBS shall pay to the Bondholders all outstanding interest accrued on the Bonds to be redeemed up to and including the date of such redemption (in each case less any taxes required by law to be deducted or withheld from such payments).

3.2 The Bondholder must decline the offer to have the Bonds redeemed and re-paid early within 28 days of receiving such notice. If the CBS has not received a notice to decline early repayment within the notice period, the CBS may deem the Bondholder to have accepted the offer and repay the Bondholder in part or in full on the proposed Repayment Date.

3.3 In either scenario under Condition 3.1 and Condition 3.2 CBS shall also pay to the Bondholders all outstanding interest accrued on the Bonds to be redeemed up to and including the date of such redemption (in each case less any taxes required by law to be deducted or withheld from such payments).

3.4 Any payment made under this Condition 3 shall be treated as reducing the amount of the repayments under Condition 2 proportionately and shall be made pro rata to the holdings of all Bondholders who have not declined the offer to be re-paid early.

4. Payment of interest

4.1 Until the Bonds are repaid in accordance with these Conditions, interest on the principal amount of the Bonds outstanding from time to time shall accrue at the Interest Rate, calculated annually on 31 October in each year.

4.2 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year. For those who apply thereafter in the event that CBS allows application for Bonds after 30th September in any year, interest shall accrue from the date of issue of their Bond(s) or the Interest Start Date if specified in the Offer.

4.3 Those Bondholders who do not exercise their option to redeem their Bond(s) under Condition 2 shall, within 30 days of the 31 October, be paid the interest accrued on their Bonds up to and including that date and interest shall continue to accrue on the principal amount of their Bonds at the Interest Rate, calculated annually on 31 October in each year. This Condition 4.3 shall apply to each subsequent anniversary of 31 October until the earlier of the Bondholder exercising his option under Condition 2, CBS exercising its option under Condition 3 or 31 October 2025.

4.4 If CBS fails to pay any amount of interest or principal on any Bond when such amount is due, interest at the rate applicable under these Conditions plus 1% per annum shall accrue on the unpaid amount from the due date until the date of payment.

4.5 Interest on any Bonds repaid by CBS in accordance with these Conditions shall cease to accrue as from the date of such repayment.

4.6 The payments of principal, interest or other sums payable by CBS in respect of the Bonds may be paid by:

- (a) electronic transfer in immediately available cleared funds on the due date for payment, to the account specified for the purpose by the Bondholder in writing to CBS or its agent; or
- (b) in the absence of such notification, by cheque, warrant or bankers' draft made payable to and sent to the registered address of the Bondholder or made payable to such person and sent to such address as the registered holder may in writing direct. CBS may elect not to make a payment of any amounts that is less than £5.00 and such an amount will be added to the following year's due interest payment. No interest shall accrue on such amount.

4.7 Every such cheque, warrant or bankers' draft shall be sent within two weeks of the due date for payment and may be sent through the post at the risk of the registered Bondholder. Payment of the cheque, warrant or bankers' draft shall be a good discharge to CBS.

4.8 All payments of principal, interest or other moneys to be made by CBS shall be made after any deductions or withholdings for or on account of any present or future taxes required to be deducted or withheld from such payments. CBS may elect not to make a payment of any amounts that is less than £5.00 and such an amount will be added to the following year's due interest payment. No interest shall accrue on such amount.

4.8 It is agreed that different terms and interest arrangements may apply to each of the Total Bonds.

6. Cancellation

All Bonds repaid, prepaid or purchased by CBS shall be cancelled and CBS shall not reissue the same.

7. Dealings

The Bonds shall not be capable of being dealt in or on any listed stock exchange in the United Kingdom or elsewhere and no application has been or shall be made to any listed stock exchange for permission to deal in or for an official or other quotation for the Bonds.

7. Notices

7.1 Any notice or other document (including Certificates) may be given or sent to any Bondholder by sending the same by email or post in a prepaid, first-class letter addressed to such Bondholder at his registered address in the United Kingdom or (if he has no registered address within the United Kingdom) to the address (if any) within the United Kingdom supplied by him to CBS for the giving of notice to him or to an electronic address notified by the Bondholder to CBS for the purpose of receiving notices or other documents (including Certificates). Notice may be given to the persons entitled to any Bonds as a result of the death or bankruptcy of any Bondholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Bondholder at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

7.2 Any notice or other document (including Repayment Notices, Certificates and transfers of Bonds) may be given or sent to CBS by sending the same by email to bonds@solarforschools.co.uk or post in a prepaid, first-class letter addressed to CBS at its registered office for the time being.

7.3 Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in the United Kingdom. Any notice, communication or document sent to an electronic address shall be deemed to have been delivered on the day on which it was sent.

Schedule 2: Provisions as to registration, transfer and other matters

1. Recognition of Bondholder as absolute owner

CBS shall recognise as absolute owner the registered holder of any Bonds. CBS shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Bond may be subject. The receipt of the registered holder for the time being of any Bonds or, for the principal payable in respect of such Bonds and for the interest from time to time accruing due in respect of such Bonds or for any other moneys payable in respect of such Bonds shall be a good discharge to CBS notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Bonds, interest or moneys. CBS shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Bonds.

2. Transferability of Bonds

2.1 The Bonds are transferable, but won't be listed on any exchange because a request can be made for early re-payment. Bondholders may request early re-payment by notifying the CBS with at least 3 months' notice to the 31 October of a given year. The CBS will deal with all requests in order of receipt and pay as many as it can subject to available funds and Directors' discretion. The CBS is under no obligation to re-pay early.

3. Recognition of personal representatives

3.1 The executors or administrators of a deceased Bondholder shall be the only person(s) recognised by CBS as having any title to such Bonds.

3.2 Any person who becomes entitled to any of the Bonds as a result of the death or bankruptcy of any Bondholder, or of any other event giving rise to the transmission of such Bonds by operation of law may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Condition or of his title as the Directors shall think sufficient, be registered himself as the holder of such Bonds. CBS may retain any payments paid upon any such Bonds, which any person under this provision is entitled to, until such person is registered as the holder of such Bonds or has duly transferred the Bonds.

4. Replacement of Certificates

If the Certificate for any Bonds is lost, defaced or destroyed it may be renewed on such terms (if any) as to evidence and indemnity as the Directors may require. In the case of defacement, the defaced Certificate shall be surrendered before the new Certificate is issued.

Schedule 3: Provisions for meetings of Bondholders

1. Calling of meetings

CBS may at any time and shall on the request in writing signed by Bondholders representing 5% or more of the Bonds in nominal value then in issue convene a meeting of the Bondholders to be held at such place as CBS shall determine.

2. Notice of meetings

At least 14 clear days' notice specifying the place, day and hour of the meeting shall be given to the Bondholders of any meeting of Bondholders. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Bondholder shall invalidate any resolution passed at any such meeting.

3. Chairman of meetings

A person nominated by CBS shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Bondholders present shall choose one of their number to be Chairman. The Directors and the Secretary and legal advisers of CBS and any other person authorised in that behalf by the Directors may attend at any such meeting.

4. Quorum

4.1 At any such meeting convened for any purpose, other than the passing of a Special Resolution, a person or persons holding or representing by proxy 10% in nominal value of the Bonds for the time being outstanding shall form a quorum for the transaction of business. At any meeting convened for the purpose of passing a Special Resolution persons (at least two in number) holding or representing by proxy at least 50% in nominal value of the Bonds for the time being outstanding shall form a quorum. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

4.2 If within 30 minutes from the time appointed for any meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the Chairman and at such adjourned meeting two Bondholders present in person or by proxy and entitled to vote, whatever the principal amount of the Bonds held by them, shall form a quorum.

5. Adjournment of meetings

5.1 The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business that might lawfully have been transacted at the meeting from which the adjournment took place.

5.2 Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in this instrument. Such notice shall state that two Bondholders present in person or by proxy and entitled to vote at the adjourned meeting whatever the principal amount of the Bonds held by them shall form a quorum.

6. Voting

6.1 Every question submitted to a meeting of Bondholders shall be decided in the first instance by a show of hands. In case of an equality of votes the Chairman shall have a casting vote.

6.2 At any meeting of Bondholders, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by one or more Bondholders present in person or by proxy, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact.

6.3 If at any such meeting a poll is so demanded it shall be taken in such manner as the Chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

6.4 Any poll demanded at any such meeting shall be taken at the meeting without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

6.5 On a show of hands every Bondholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative (not being himself a Bondholder) or by proxy shall have one vote (provided that a proxy appointed by more than one member should only have one vote or, where the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it, such proxy shall have one vote for and one vote against the resolution). On a poll every Bondholder shall have one vote for every £1 in nominal amount of the Bonds of which he/she is the holder. A Bondholder (or a proxy or representative of a Bondholder) entitled to more than one vote on a poll need not use all his/her votes or cast all the votes he/she uses in the same way.

7. Proxies

7.1 Every instrument appointing a proxy shall be in writing, signed by the appointor or his attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Bondholder.

7.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority shall be deposited with CBS at the address where the Register is maintained for the time being (as referred to in clause 5.1 of this instrument) or at such other place as may be specified in the notice convening the meeting before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Bonds in respect of which it is given unless previous intimation in writing of such death, insanity, revocation or transfer shall have been received by CBS at the address where the Register is maintained for the time being (as referred to in clause 5.1 of this instrument). No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

8. Power of meetings of Bondholders

In addition to the powers to pass the Special Resolutions referred to at Clause 6 (Events of Default), Clause 7 (Acceleration) and Clause 11 (Modification) of this instrument, a meeting of the Bondholders may, by Special Resolution, consent to any proposal put to Bondholders by CBS where such proposal may affect Bondholders' rights to repayment of principal, payment of interest or to demand accelerated repayment under Clause 7.

9. Resolutions

9.1 A Special Resolution, passed at a meeting of Bondholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Bondholders whether or not present at such meeting and each of the Bondholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution. 9.2 Subject to Clause 7 of this instrument, a resolution in writing signed by the holders of at least 75% in nominal value of the Bonds for the time being outstanding who are for the time being entitled to receive notice of meetings in accordance with the provisions contained in this instrument shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Bondholders.

10. Minutes of meetings

Minutes of all resolutions and proceedings at every such meeting of the Bondholders shall be made and duly entered in books to be from time to time provided for that purpose by CBS and shall be available for inspection by Bondholders during normal business hours on reasonable notice to CBS.

Schedule 4: Example Bond Certificate

SOLAR FOR SCHOOLS CBS LTD (CBS) BOND OFFER VI Certificate No: [NUMBER]
Date of Issue: [DATE]
Interest Start Date: [DATE]
Amount: £[AMOUNT]
Annual Interest: [AMOUNT]%
Repayment Date: [DATE]

Bonds created and issued pursuant to a resolution of the board of directors of CBS passed on 24th March 2022.

THIS IS TO CERTIFY THAT [INSERT NAME OF BONDHOLDER] is the registered holder of £[AMOUNT] of the £5,000,000 unsecured bonds constituted by an instrument entered into by CBS on [DATE] (Instrument). Such bonds are issued with the benefit of and subject to the provisions contained in the Instrument and the Conditions endorsed hereon.

1. The Bonds are governed by the term of the Bond Instrument VI, a copy of the Instrument is available for inspection at <https://www.solarforschools.co.uk/funding/cbs> or by requesting a copy by email to bonds@solarforschool.co.uk
2. This Certificate must be surrendered before any transfer, whether of the whole or any part of the Bond comprised in it, can be registered or any new Certificate issued in exchange.
3. Any change of address, email or repayment preferences of the Bondholder(s) must be notified by the Bondholder(s) to CBS either by email at bonds@solarforschools.co.uk or via the options displayed on <https://www.solarforschools.co.uk/funding/cbs>
4. The Bonds are transferable in amounts and in integral multiples of £1 in accordance with the terms of the Conditions and the Instrument.
5. Words and expressions defined in the Instrument shall bear the same meaning in this Certificate and in the Conditions endorsed hereon.
6. The Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.
7. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Bonds or their subject matter or formation (including non-contractual disputes or claims).
8. Executed by SOLAR FOR SCHOOLS CBS LTD, acting by two directors:

[Director Name], Director

[Director Name], Director

Dated: [DATE]