

**Management Engagement Committee of  
NextEnergy Solar Fund Limited**

**TERMS OF REFERENCE**

**Last reviewed: 19 February 2025**

**Last approved: 19 February 2025**

In this document, unless the context requires otherwise:

**“Administrator”** and **“Company Secretary”** means Ocorian Administration (Guernsey) Limited;

**“Board”** means the Board of Directors of NextEnergy Solar Fund Limited;

**“Code”** means the UK Corporate Governance Code and the AIC Code of Corporate Governance;

**“Company”** means NextEnergy Solar Fund Limited;

**“Committee”** means the Management Engagement Committee;

**“Investment Adviser”** means NextEnergy Capital Limited; and

**“Investment Manager”** means NextEnergy Capital IM Limited.

## **1 CONSTITUTION**

1.1 It was resolved that a committee of the Board to be known as the Management Engagement Committee (MEC) Committee be hereby constituted. The Committee shall be governed as follows:

## **2 MEMBERSHIP**

2.1 The Committee shall comprise at least three directors with the intention to appoint all independent directors as Members of the Committee. Members of the Committee shall be appointed by the Board, on the recommendation of the Chair of the Committee. The Chair of the Board may also serve on the committee as a member if he or she was considered independent on appointment as Chair.

2.2 All members of the Committee shall be directors independent of the Investment Manager and Investment Adviser.

2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers and senior representatives of the Investment Manager, Investment Adviser and the Administrator may be invited to attend for all or part of any meeting as and when appropriate and necessary.

2.4 Appointments to the Committee are made by the Board and have no maximum period of tenure. Tenure is reviewed at the same time as re-election to the Board is considered.

2.5 The Board shall appoint the Committee Chair who shall be a non-executive director, independent of the Investment Manager and the Investment Adviser. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Board may be Chair of the Committee provided he or she is independent of the Investment Manager and Investment Adviser. The Chair of the Committee is at present Caroline Chan.

### **3 SECRETARY**

- 3.1 The Company Secretary, or their nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### **4 QUORUM**

- 4.1 The quorum necessary for the transaction of business shall be two.

### **5 MEETINGS**

- 5.1 The Committee shall meet at least once annually and otherwise as required.
- 5.2 All meetings of the Committee are normally to be conducted in Guernsey or at any other location outside the UK as the Committee may determine from time to time.

### **6 NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

### **7 MINUTES OF MEETINGS**

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated within ten business days to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless, in the opinion of the Committee Chair, it would be inappropriate to do so.

### **8 ANNUAL GENERAL MEETING**

- 8.1 The Committee Chair should attend the annual general meeting of the Company to answer any shareholder questions on the Committee's activities.

### **9 DUTIES**

- 9.1 The Committee should carry out the duties detailed below, as appropriate;
- 9.1.1 Review and recommend on any proposed amendments to the amended & restated investment management agreement between the Company and the Investment Manager dated 16 June 2021 (the "**Investment Manager Agreement**") (in accordance with principle 17 of the AIC Code of Corporate Governance);

- 9.1.2 Monitor and review the performance of the Investment Manager, the Investment Adviser, the Administrator, the brokers, the lawyers and any other third-party service providers to the Company (with the exception of the auditors);
- 9.1.3 Consider the merit of obtaining, on an independent appraisal of the services provided by the Investment Manager, the Investment Adviser, the Administrator, the brokers, the lawyers and any other third-party service providers to the Company;
- 9.1.4 Implement procedures by which the Board regularly review the continued retention of the services of the Investment Manager, the Investment Adviser, the Administrator, the brokers, the lawyers and any other third-party service providers to the Company;
- 9.1.5 Review the level and method of remuneration of the Investment Manager, and the notice period included in the Investment Management Agreement;
- 9.1.6 Investigate any breaches of agreed investment limits and any deviation from the agreed investment policy and strategy; and
- 9.1.7 Review the standard of the services provided by the Investment Manager under the terms of the Investment Management Agreement.

## **10 REPORTING RESPONSIBILITIES**

- 10.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee shall produce a report on its activities to be included in the Company's Annual Report.

## **11 OTHER MATTERS**

- 11.1 The Committee shall:

- 11.1.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 11.1.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 11.1.3 Give due consideration to laws, regulations and any published guidelines including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules as well as other guidelines, as appropriate; and
- 11.1.4 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **12 AUTHORITY**

12.1 The Committee is authorised:

- 12.1.1 To investigate any activity within its terms of reference;
- 12.1.2 To seek any information it requires from the Company, the Investment Manager and the Administrator in order to perform its duties;
- 12.1.3 To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 12.1.4 To call the Investment Manager, the Investment Adviser, the Administrator, the brokers and the lawyers to be questioned at a meeting of the Committee as and when required.