

**Remuneration & Nomination Committee of
NextEnergy Solar Fund Limited**

TERMS OF REFERENCE

Last reviewed:

Approved: 12 June 2025

In this document, unless the context requires otherwise:

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

“AIC Code” means the AIC Code of Corporate Governance;

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

“Company” means NextEnergy Solar Fund Limited;

“Committee” means the Remuneration & Nomination Committee;

“Investment Adviser” means NextEnergy Capital Limited;

“Investment Manager” means NextEnergy Capital IM Limited; and

“UK Governance Code” means the UK Corporate Governance Code.

1 MEMBERSHIP

- 1.1 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.
- 1.2 All members of the Committee shall be directors independent of the Investment Manager and the Investment Adviser.
- 1.3 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, the Investment Adviser and the Administrator may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 1.4 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.
- 1.5 The Board shall appoint the Committee Chair who shall be a non-executive director, independent of each of the Investment Manager and the Investment Adviser, the Administrator, or any other service provider to the Company. The Chair of the Board shall not be Chair of the Committee. In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting, provided that such member would qualify under these terms of reference to be appointed to that position by the Board. The Chair of the Committee is currently Caroline Chan.

2 QUORUM

- 2.1 The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions vested in or exercisable by the Committee.

3 MEETING ADMINISTRATION

- 3.1 The Committee shall meet as often as it deems necessary but, in any case, at least once a year, at such times and places determined by the Chair of the Committee. Additional meetings may be called by the Chair of the Committee or any other director.
- 3.2 All meetings of the Committee shall take place in Guernsey (or outside the United Kingdom). A meeting may be by means of a video link, telephone conference call or other electronic or telephone means of communication and shall be chaired by a person located in Guernsey (or outside the United Kingdom), and such meeting shall be deemed held at the physical location of the chair of the meeting. The Committee may take decisions without a meeting by unanimous written consent when the Chair of the Committee considers this to be necessary or desirable, but such written consent must be approved and signed by a majority of members based in Guernsey and/or otherwise outside the United Kingdom.
- 3.3 No member physically present in the United Kingdom at the time of any such meeting shall count in the quorum or may vote in respect of or take part in the making of any decision with respect to any proposal in any meeting (although that shall not, for the avoidance of doubt, preclude participation in any associated discussion or the asking of questions and receipt of answers with respect to any proposal by a director located at that time in the United Kingdom).
- 3.4 Meetings of the Committee are called by the secretary of the Committee at the request of the Chair of the Committee.
- 3.5 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date (and dial-in details if required) of the meeting must be sent, with an agenda of the items to be discussed and any supporting papers, to each member of the Committee, any other person required to attend the meeting and all other non-executive directors as soon as practicable, and in any event no later than five business days before the date of the meeting.

4 SECRETARY

- 4.1 The Company Secretary or such person as the Committee nominates shall act as the secretary of the Committee and shall attend all meetings.
- 4.2 The secretary must ensure that the Committee receives information and materials in a timely manner to enable full and proper consideration to be given to them.
- 4.3 The secretary must minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

5 DUTIES

- 5.1 The Committee should carry out the duties detailed below, as appropriate.
- 5.2 The Committee shall, in relation to **director remuneration**:
 - 5.2.1 Develop a policy for director remuneration for recommendation to the Company's shareholders for approval, determine the remuneration of the Chair of the Board and make recommendations to the Board on the remuneration of the other non-executive directors, in each case within the limits set out in the Company's articles of incorporation. No director

shall be involved in any decisions as to their own remuneration, provided that this shall not prevent a director from being involved in making recommendations on or deciding the level of remuneration to be paid to non-executive directors generally or to non-executive directors carrying out additional Board responsibilities.

- 5.2.2 Review the ongoing appropriateness and relevance of remuneration levels and give due regard to published or other available information relating to remuneration in companies which are comparable to the Company and to remuneration trends generally.
- 5.2.3 Determine the policy for authorising claims for expenses from the directors.
- 5.2.4 Report formally to the Board on the Committee's proceedings and on how it has discharged its duties and responsibilities (unless it would be inappropriate to do so) and to make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.2.5 Have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration and terms and conditions of directors of listed companies (in particular the principles and provisions of the UK Governance Code, the AIC Code, and any relevant requirements of the Financial Conduct Authority's Listing Rules, which the Committee considers relevant or appropriate.
- 5.2.6 Ensure that all provisions regarding disclosure of remuneration are fulfilled.
- 5.2.7 Consider the need to appoint external remuneration consultants and be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and to commission or purchase any reports, surveys or other information which it deems necessary.

5.3 The Committee shall, in relation to **nominations**:

Board composition and succession planning

- 5.3.1 Monitor and assess regularly the structure, size and composition, including the skills, knowledge, independence, experience and diversity, of the Board and its committees, and the length of service of the Chair of the Board, individual directors and the Board as a whole, and make recommendations to the Board with regards to any changes that are deemed necessary.
- 5.3.2 Conduct a regular and proactive process of planning and assessment for orderly succession to the Board and oversee the development of a diverse pipeline for succession, taking into account the Company's purpose, values, strategy and culture, and the main trends and factors affecting the long-term success and future viability of the Company.

Board appointments

- 5.3.3 Develop and apply a formal, rigorous and transparent procedure for Board appointments, based on merit and objective criteria and promoting diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths.

5.3.4 Lead the process for Board appointments and reappointments and make recommendations to the Board in relation to them.

5.3.5 In relation to any specific appointment process, to prepare specifications of the role and responsibilities (including expected time commitments) and, in the case of the Chair of the Board and each other non-executive director, to use open advertising and/or an external search consultancy to facilitate the search.

5.3.6 Require proposed appointees to the Board to disclose:

- a) all significant commitments, with an indication of the time involved; and
- b) the nature and extent of any actual or potential conflicts of their interests with the interests of the Company;

and make recommendations to the Board as appropriate.

5.3.7 Ensure that non-executive directors receive a formal letter of appointment recording the Company's expectations on Board meetings, committee service, training, information, time commitments, and other expected involvement in the Company's activities.

Director's continuation in office

5.3.8 Make recommendations to the Board about (a) any matters relating to the continuation in office of any director, and (b) the annual re-election of directors, in each case, having due regard to the provisions of the AIC Code and the director's performance and ability to contribute to the Board and the long term success of the Company.

The senior independent director and Board committees

5.3.9 Make recommendations to the Board in relation to the role of Senior Independent Director.

5.3.10 Make recommendations to the Board in relation to the composition of each of the Audit Committee, the Management Engagement Committee, the ESG Committee, the Market Disclosure Committee, this Committee and any other Board committees, as appropriate, including considering the skills and knowledge of members, in consultation with the Board and the Chair of the relevant committee.

Directors' conflicts of interest

5.3.11 Require directors to disclose the nature and extent of any actual or potential conflicts of their interests with the interests of the Company, to monitor and assess such disclosures regularly, and make recommendations to the Board as appropriate.

Directors' external commitments

5.3.12 Require directors to the Board to disclose all significant commitments, with an indication of the time involved, to monitor and assess such disclosures regularly, and make recommendations to the Board as appropriate in relation to the approval of such commitments and the disclosure of the reasons for approval of any approved commitment.

Board training and evaluation

5.3.13 Oversee appropriate induction training for new directors and ongoing training as appropriate for the Board, its committees and individual directors. The induction programme will be provided by the Administrator.

5.3.14 Oversee, with the Board, a formal and rigorous annual evaluation of the performance of the Board, its committees and individual directors and, in particular, to determine with the Board whether the Board evaluation should be externally facilitated and, if so, the nature and extent of an external evaluator's contact with the Board, its committees and individual directors.

5.3.15 Review and assess the results of the evaluation process and make recommendations to the Board in relation to outcomes and further actions.

Diversity and inclusion

5.3.16 To be responsible for identifying, from a variety of sources including the possible use of search consultants, and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise with a continued focus on Board diversity.

Shareholder engagement

5.3.17 To seek effective engagement through the Chair of the Committee with shareholders on significant matters related to the areas of the Committee's responsibilities.

6 SELF-EVALUATION

6.1 The Committee must review its own performance, composition, diversity, and terms of reference at least once a year and recommend to the Board any changes it considers necessary or desirable.

7 REPORTING RESPONSIBILITIES

7.1 The Committee Chair shall report to the Board on Committee proceedings after each meeting on all matters within its duties and responsibilities.

7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.

7.3 The Committee shall produce a report on its remuneration-related activities and the Company's remuneration policy to be included in the Company's annual report (the Committee's report may also include information on its nomination-related activities). If the Committee has appointed remuneration consultants or external search agencies, the Company's annual report shall identify such consultants or agencies and state whether they have any other connection with the Company.

7.4 Through the Chair of the Board, the Committee shall ensure that the Company maintains contact as required with its shareholders about remuneration.

- 7.5 The Company's annual report (or, if the Committee's report included in the annual report includes information relating to its nomination-related activities, the Committee's report) shall include a statement of the Board's policy on diversity, including gender and ethnicity, any measurable objectives that it has set for implementing the policy and progress on achieving the objectives.

8 OTHER MATTERS

8.1 The Committee must:

- 8.1.1 have access to sufficient resources to carry out its duties and functions including access to the Company Secretary for assistance as required on all Committee matters;
- 8.1.2 be given appropriate and timely training, in the form of an induction programme for new members and on an ongoing basis for all members. The induction programme is provided by the Administrator;
- 8.1.3 give due consideration to laws and regulations, the provisions of the UK Governance Code, the AIC Code, the requirements of the Financial Conduct Authority's Listing Rules, the provisions of the Companies (Guernsey) Law, 2008 (as amended), the Registered Collective Investment Scheme Rules and Guidance, 2021 and any other applicable rules, as appropriate;
- 8.1.4 oversee any investigation of activities which are within its terms of reference; and
- 8.1.5 work and liaise as necessary with all other Board committees.

9 AUTHORITY

9.1 The Board authorises the Committee to:

- 9.1.1 undertake any activity within its terms of reference;
- 9.1.2 seek any information that the Committee requires from the Investment Manager, the Investment Adviser and/or the Administrator in order to perform its duties, and call any such person to be questioned at a Committee meeting, as and when required;
- 9.1.3 obtain external legal or other professional advice on any matter within its terms of reference at the Company's expense, and invite persons giving such advice to attend Committee meetings; and
- 9.1.4 delegate any of its powers to one or more of its members or the secretary of the Committee.