

**Environmental, Social and Governance Committee of  
NextEnergy Solar Fund Limited**

**TERMS OF REFERENCE**

**Last reviewed: 5 February 2026**

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 Environmental, Social and Governance 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 Environmental, Social and Governance (ESG) 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 Committees 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, or in the instance the Chair is not present in Guernsey, the remaining members present, shall elect one Guernsey based Director, who would qualify under these terms of reference to be appointed to that position by the Board, to chair the meeting. The Chair of the Board shall not be Chair of the Committee. The Chair of the Committee is currently Josephine Bush.

**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.

9.2 The Committee shall provide:

9.2.1 Regular opportunities for NESF's ESG policies, principles, standards and disclosure framework to be reviewed and updated to ensure that they remain in line with investor expectations;

9.2.2 Strategic advice to the Board on ESG matters, including reviewing and commenting on ESG policies developed by NEC in the course of managing assets owned by the Company;

9.2.3 Support and challenge to NEC in the implementation of NESF's ESG policies through the investment/divestment approval process;

9.2.4 A forum in which the Board and NEC can discuss and share ideas in relation to evolving ESG related initiatives, programmes, targets and industry practice; and

9.2.5 Consideration of how NESF's ESG strategy is communicated internally and externally

9.3 The Committee shall monitor and review:

- 9.3.1 reports from NEC as part of the existing regular investor relations reporting cycle, on how NESF's ESG strategy is communicated, received, and regarded by external stakeholders and how ongoing implementation of the ESG strategy compares to ESG strategies adopted by competitors;
- 9.3.2 relevant ESG internal/external inputs and KPI's produced by NEC as agreed; and
- 9.3.3 ESG risks and opportunities for the Company, such assessment to be carried out in alignment with chosen reporting frameworks, including assessment of climate change risks.

9.4 The Committee shall:

- 9.4.1 Have input into how NESF's ESG strategy is reported in the Company's Annual Report and other public reporting including a separate annual ESG report (if deemed applicable);
- 9.4.2 Have oversight of and recommend to the Board where appropriate other upcoming NESF ESG reporting requirements and the Company's adherence thereto, including where relevant, liaising with the Audit Committee on reporting within the Company's Annual and Interim Reports;
- 9.4.3 Ensure, where possible, NESF's relevant ESG policies are publicly available;
- 9.4.4 Receive reports from NEC as part of the existing regular reporting cycle on the implementation of its ESG strategy and related policies as developed by NEC relating to asset management, including (where applicable) implementation plans and KPIs; and
- 9.4.5 Receive reports from NEC, as appropriate, on any projects developed by NEC in response to implementation of the ESG strategy.

**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 oversee the production of a report on its environmental, social and governance-related activities and the Company's ESG 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 ESG consultants or external search agencies, the annual report shall identify such consultants or agencies and state whether they have any other connection with the Company.
- 10.4 Through the Chair of the Board, the Committee shall make recommendation and liaise with the Company's advisors to ensure the Company maintains contact as required with its principal shareholders about environmental, social and governance.
- 10.5 The annual report (or, if the Committee's report included in the annual report includes information relating to its ESG-related activities, the Committee's report) shall include a statement of the Board's

policy on ESG and any measurable objectives that it has set for implementing the policy and progress on achieving the objectives.

- 10.6 The Committee shall liaise with the NextEnergy Foundation (“NEF”) to ensure it remains compliant and aligned with the sustainability focus of the Company.

## **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 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 ongoing basis for all members;
- 11.1.3 give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules (with which the Company has voluntarily elected to comply, subject to certain exceptions), the Disclosure Guidance and Transparency Rules made by the Financial Conduct Authority under section 73A of the Financial Services and Markets Act 2000 and any other applicable rules, as appropriate;
- 11.1.4 oversee any investigation of activities which are within its terms of reference;
- 11.1.5 work and liaise as necessary with all other Board committees, and
- 11.1.6 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 by the Board to:

- 12.1.1 Investigate any activity within its terms of reference;
- 12.1.2 Seek any information that it requires from any employee of the Manager, Administrator or any other Service Provider and all employees of the Manager, Administrator or any other Service Provider are directed to cooperate with any request made by the Committee; and
- 12.1.3 Obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference to discharge its duties effectively.