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If you were a Shareholder and have sold or otherwise transferred all your Ordinary Shares, please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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## **NEXTENERGY SOLAR FUND LIMITED**

*(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)*

### **RECOMMENDED PROPOSAL REGARDING CHANGES TO THE COMPANY'S INVESTMENT POLICY**

**AND**

### **NOTICE OF THE 2020 ANNUAL GENERAL MEETING**

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This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out in Part 1 of this document and which recommends that you vote in favour of each of the resolutions to be proposed at the annual general meeting of the Company, which will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, on 11 September 2020 commencing at 10.00 a.m. The notice convening the AGM is set out in Part 4 of this document.

Whilst restrictions within the Bailiwick of Guernsey in response to the current COVID-19 pandemic have been eased, permitting gatherings to take place within the Bailiwick of Guernsey, any persons arriving into the Bailiwick of Guernsey are presently required to self-isolate upon arrival. In light of the restrictions in place, Shareholders are strongly encouraged to vote by way of proxy instead of attending the AGM in person. Should this position change, the Company will release an announcement prior to the AGM to confirm the position in line with the latest guidelines and restrictions in place.

You should ensure that your Proxy Appointment (and any relevant supporting documents) are returned to the Company's registrars, Link Registrars, by one of the following means:

- (i) by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions; or

- (ii) by requesting a hard copy form of proxy directly from Link Registrars as outlined in note 5 of the AGM Notice and submitting a hard copy form of proxy by post, by courier or by hand to PXS, Link Asset Services, 34 Beckenham, Kent, BR3 4TU: or
- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this document) to Link Registrars.

In each case, the Proxy Appointment must be received by Link Registrars as soon as possible and, in any event, not later than 10:00 a.m. on 9 September 2020.

The Company is a closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2018. The Guernsey Financial Services Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it in this document.

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**EXPECTED TIMETABLE**

	<i>2020</i>
Latest time and date for receipt of Proxy Appointments	10.00 a.m. on 9 September
AGM	10.00 a.m. on 11 September
Changes to investment policy effective*	11 September

**Notes:**

*All times referred to in this document are references to Guernsey time.*

*\*Conditional on resolution 17 in the AGM Notice being passed.*

# **PART 1 LETTER FROM THE CHAIRMAN**

## **NextEnergy Solar Fund Limited**

*(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)*

### *Directors*

Kevin Lyon (Chairman)  
Patrick Firth  
Vic Holmes  
Sue Inglis  
Jo Peacegood

### *Registered Office*

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey  
GY1 2HL

19 August 2020

### ***To Ordinary Shareholders and, for information only, Preference Shareholders***

Dear Shareholder

#### **Introduction**

The sixth annual general meeting of the Company will be held at 10.00 a.m. on 11 September 2020. A number of resolutions are being proposed in relation to the ordinary administrative business of the Company. Full details of the resolutions to be proposed are set out in the AGM Notice in Part 4 of this document and explanatory notes to the resolutions are set out in this Part 1 under the heading "Explanatory Notes to the Resolutions to be Proposed at the AGM".

In addition to the customary business conducted at an annual general meeting, you will also be asked to consider and vote on a proposal to make certain changes to the Company's investment policy, the background to and details of which are set out below under the heading "Proposed Changes to the Company's Investment Policy". You will also be asked to consider and vote on a proposal to make various changes to the Articles in order to reflect the revised Code of Corporate Governance issued by the Association of Investment Companies in February 2019, to facilitate compliance with international requirements and to bring them into line with current law and market practice. Details of the proposed changes are set out below on pages 16 to 18.

#### **Proposed Changes to the Company's Investment Policy**

##### *Introduction*

The Company's investment objective is to provide holders of Ordinary Shares with attractive risk-adjusted returns, principally in the form of regular dividends, by investing in a diversified portfolio of primarily UK-based solar energy infrastructure assets.

The key changes being proposed to the Company's investment policy are to: (i) increase the geographic scope, including to enable some limited investment (up to 3% of Gross Asset Value, calculated at the time of investment) in non-OECD assets where these form part of a portfolio of assets that the Company is seeking to acquire; (ii) enable the Company to invest (up to 10% of Gross Asset Value, calculated at the time of investment) in standalone energy storage projects; and (iii) provide that while the Company will typically acquire sole ownership of individual solar

PV assets, the Company may also acquire non-controlling interests in solar PV assets, either directly or through private equity structures (the use of such private equity structures would be limited to 15% of Gross Asset Value).

#### *Increasing the Geographic Scope of the Company's Investment Policy*

The principal change that the Directors are proposing is to increase the geographic scope of the Company's investment policy. Specifically, the Directors are proposing that the Company should be permitted to increase the limit on investments in solar PV assets located outside the UK from the current 15% up to 30% of its Gross Asset Value (calculated at the time of investment). Investments in solar PV assets outside the UK would be made in countries that the Investment Manager and Investment Adviser believe have a stable solar energy regulatory environment and provide investment opportunities with similar, or better, investment characteristics and risk-weighted returns relative to investments in the UK.

Although any investments in solar PV assets located outside the UK would be made predominantly in OECD countries, the Company is seeking the flexibility to invest in solar PV assets located outside OECD countries where those assets form part of a portfolio of assets in which the Company acquires an interest and where the Company's aggregate investment in any such non-OECD assets is, at the time any such investment is made, not greater than 3% of Gross Asset Value.

#### *Increased Diversification Through Investment in Standalone Energy Storage Projects*

The Company is already able to invest in energy storage technologies ancillary to its solar PV assets, and has been successfully operating two battery storage facilities co-located on two of the solar sites in its portfolio (Salcey Farm and Pierces Farm, acquired in 2018). As solar PV and other intermittent renewable energy sources are expected to contribute a growing share of energy generation in the UK and globally, there is an increasing rationale for the integration of energy storage systems in the energy markets. The Company would benefit from being able in the future to invest in energy storage systems as and when most appropriate, both co-located and standalone. Any investment in standalone energy storage projects (that are not ancillary to or co-located with solar PV assets owned by the Company) would be limited, in aggregate, to 10% of the Gross Asset Value (calculated at the time of investment). Energy storage facilities provide a valuable source of diversification of portfolio value and revenue streams.

#### *Acquisition of Non-Controlling Interests in Solar PV Assets*

The Directors are also seeking to amend the investment policy to provide that, while the Company will typically acquire sole ownership of individual solar PV assets, the Company may also acquire non-controlling interests in solar PV assets, either directly or through private equity structures, which may be managed by the Investment Manager or third party investment managers, provided that not more than 15% of the Gross Asset Value may be invested in private equity structures (calculated at the time of investment). The Company will ensure that it obtains adequate minority protection rights in respect of any non-controlling interests in solar PV assets or protections through limited partnership agreements in line with typical private equity structures. Any leverage taken on through minority interests or private equity structures would be considered on a look-through basis *pro-rata* to the Company's economic interest in the underlying assets for the purposes of calculating the Company's exposure to financial leverage and its compliance with the maximum gearing of 50% of Gross Asset Value.

#### *Comparison of Proposed Changes*

A comparison showing the proposed changes to the Company's investment policy as against its current investment policy is included in Part 2 of this document. In accordance with the Listing

Rules, the proposed changes have been approved by the FCA and now require Shareholder approval to be implemented.

Notwithstanding implementation of the proposed changes to its investment policy, the Company will continue to focus on solar assets in the UK, where the majority of its portfolio is located. It is intended that the Company will adopt a cautious and selective expansion of its investment strategy internationally, acquiring assets that are consistent with the Company's investment objective.

#### *Background to, and Reasons for, the Proposed Changes*

In August 2017, Shareholders approved a change to the Company's investment policy to allow the Company to invest up to 15% of its Gross Asset Value (calculated at the time of investment) in solar assets outside the UK, but within the OECD group of countries.

In December 2017, the Company acquired a portfolio of eight operating solar plants with an installed capacity of 34.5 MWp, located in Italy, for a total value of €131.9 million (equivalent to £116.2 million), being 12% of the Gross Asset Value at the time of investment. To date, these assets have performed consistently above the acquisition case and contributed significantly to NESF's cashflow generation and dividend distributions. The cash flows to the Company from this international portfolio have been protected by a currency hedge covering approximately 92% of the expected cash flows generated by the portfolio over 15 years.

The subsidy regimes in the United Kingdom came to an end in March 2018 and there is limited investment opportunity in the UK secondary market that the Company can pursue, with increasing price pressure for the acquisition of operational solar PV assets, by new market entrants and existing financial investors, and a corresponding compression in yield.

Over the years 2018 and 2019, as subsidy-free solar assets have become financially viable in the UK, the Company started a programme to develop subsidy-free projects in the UK, with a target currently set at approximately 150MW, of which 55MW have already been built and are in operation. The Investment Adviser is at the forefront of working with suppliers to drive investment values and operating costs down to levels that are sustainable without subsidies.

Currently, the Investment Adviser also manages two private funds. The first fund owns solar assets in Italy and the second fund is an international solar fund with assets currently in the US and a broader international pipeline. As a result of its direct experience in multiple jurisdictions, the Investment Adviser is evaluating attractive risk-adjusted investment opportunities in other OECD jurisdictions which would enhance the diversification of NESF, and which would support the Company's investment objective. The Investment Adviser has a clear policy of allocation of opportunities across its funds to manage any potential conflicts of interest. The Company already benefits from a right of first offer on all suitable opportunities in the UK, whereas the other funds benefit from a right of first offer in other countries. These rights of first offer are conditional (amongst other things) upon the relevant fund having sufficient capital available to invest in the identified opportunities. As the other funds are either approaching the end of their investment period or have almost entirely allocated their available capital, it is therefore possible for the Company to access investment opportunities identified by the Investment Adviser in other countries, including possibly co-investment opportunities with the other funds.

The growth in installed solar capacity in other markets continues at a rapid pace, with current published targets indicating an expected growth from the approximately 420GW installed globally at the end of 2019 to approximately 1,500GW by 2030. Beyond the UK, there are a number of international solar markets in developed economies that have very similar characteristics to the UK solar market, specifically with well-defined regulatory structures and sound financial returns.

Investments outside the UK will be made predominantly in OECD countries that the Investment Manager and Investment Adviser believe have a stable solar energy regulatory environment and provide investment opportunities with similar, or better, investment characteristics and risk-weighted returns relative to investments in the UK. Amongst these characteristics are: stable regulatory regimes; power purchase agreements with fixed prices covering a significant length of the solar asset's life and representing a material share of the asset's revenue mix; availability of debt financing in local currency; and identifiable value-add and asset optimisation opportunities.

The Investment Adviser is currently reviewing investment opportunities in the US, Poland, Italy, Spain, Portugal, Australia, France and the Netherlands. In many instances, the market participants in these solar markets are well-known to the Investment Adviser due to its international investment activities (including but not limited to the above mentioned jurisdictions). In addition, the NEC Group has a number of project sourcing agreements in place with key sector participants amongst the leading solar module manufacturers and solar EPC contractors globally. Leveraging on these relationships should allow the Company to mitigate any execution and counterparty risks.

The Investment Manager and the Investment Adviser have standardised their investment process across their activities globally. Accordingly, the Investment Manager and the Investment Adviser will continue to manage the investment process centrally irrespective of the location of the Company's assets. Local activities (such as early-stage development and construction) are typically managed by local counterparties, whereas the Company will only become involved in international assets at a later stage (for example, in connection with the long-term ownership strategy or the analysis, monitoring and optimisation of operating assets), thereby mitigating practically all development risks.

The Board believes that the Investment Adviser has the relevant solar expertise and proven track record across various geographies to secure attractive investment opportunities for the Company. In addition, the systems and know-how of WiseEnergy, the Company's operating asset manager, are capable of being deployed in an efficient manner across international markets and WiseEnergy is already actively expanding its third-party activities in jurisdictions that offer attractive potential acquisition targets for the Company. The NEC Group currently employs around 190 professionals fully dedicated to investment and asset management activities on solar PV assets, with operating presence in UK, Italy, US and India.

The Company will have access to the NEC Group's significant network of trusted professional advisers (including technical, legal, tax and accounting and energy market experts) with a global presence which should assist in mitigating any transaction and operating risks that may be associated with the acquisition of non-UK solar assets.

#### *Benefits of the Proposed Changes*

Your Board believes that the proposed changes to the Company's investment policy are in the best interests of Shareholders for the following reasons:

- The proposed changes should provide the Company with valuable flexibility in seeking to achieve its returns and dividend targets whilst maintaining focus on the core UK solar sector.
- Extending the geographic scope of the Company's investment policy will increase the range of investment opportunities available to the Company at attractive returns on capital employed and will be consistent with the Company's target returns and dividend policy. In particular, it will enable the Company to acquire investments in markets where there is less competition for solar assets than in the UK and, accordingly, where assets are available at more attractive risk-adjusted values than in the UK.

- The Company will be able to benefit from the NEC Group's expertise as asset manager and investor of solar PV assets internationally with an established global operating footprint.
- Several of the international solar markets that the Company intends to focus on offer investment opportunities where solar PV assets generate the majority (and, in some cases, the totality) of their revenues through power purchase agreements (PPAs) or feed-in tariff (FiT) schemes with prices fixed for a significant part (or all) of the operating life of the solar PV asset.
- Battery and other storage technologies will provide a valuable source of diversification of portfolio value and revenue streams.
- The ability to invest in non-controlling interests may allow the Company to co-invest with other experienced third-party investors or with other funds managed by the NEC Group in larger solar PV assets, thus increasing diversification and overall size of the portfolio. In addition, it will enable the Company to consider investments in solar PV assets through private equity structures.
- Private equity funds often establish a large portfolio of individual assets generating higher financial returns, and by investing through those structures the Company may achieve broader asset diversification as well as securing better financial returns.

### ***Risk Factors***

**In considering the proposed changes to the Company's investment policy, Shareholders should have regard to and carefully consider the risk factors described below in addition to the other information set out in this document. The following are those risk factors which the Board considers to be material as at the date of this document. If any of the adverse events described below actually occur, the Company's business, financial condition or results or prospects could be materially and adversely affected. Additional risks and uncertainties which are not known to the Board at the date of this document or that the Board considers at the date of this document to be immaterial may also materially and adversely affect the Company's business, financial condition or results or prospects.**

- Where the Company does not hedge its non-sterling currency exposure, the movement of exchange rates between sterling and the relevant other currency or currencies in which any of the Company's investments or associated revenues are denominated may have a material effect, unfavourable or favourable, on the returns otherwise experienced on those investments and may materially and adversely affect the Company's ability to pay its target dividends. Accordingly, this foreign exchange risk may increase the volatility of the NAV and price of the Ordinary Shares.
- Although the Investment Manager may seek to manage all or part of the Company's foreign exchange exposure, there is no assurance that this can be performed effectively or cost efficiently. Where the Company does hedge all or part of its currency exposure, there is no guarantee that such arrangements will be successful in fully reducing exchange risks and such arrangements may result in the Company incurring additional costs.
- To the extent that the Company's investments are outside the UK, it is possible that the Company will be subject to some amount of foreign income, capital gains and/or withholding taxes with respect to such investments.

- Laws and regulations of foreign countries may impose restrictions that would not exist in the UK. In addition, the political and economic environment, and the policies and regulation in relation to renewable energy, in countries outside the UK may adversely affect opportunities for potential investments to be made, or returns from investments made, by the Company in such countries. Furthermore, investment in solar PV assets in countries outside the UK may require government or regulatory approvals or financing and structuring alternatives that differ significantly from those customarily required or used in the UK.
- Foreign governments may from time to time impose restrictions intended to prevent the removal of capital, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute some or all amounts realised from such investments.
- The Investment Manager and Investment Adviser, through their due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be provided that a given political or economic environment, or particular legal or regulatory risks, might not have a material and adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.
- Investments in non-controlling stakes in solar assets, whether directly or through investments in private equity structures, will involve the Company entering into partnerships with other investors. Such partnerships may require the Company to enter into agreements to protect its interests. No assurance can be provided that such partnerships will not deteriorate over time. If relationships were to deteriorate for any reason, this may potentially give rise to disputes.
- As noted above, the Investment Adviser manages two private funds. The first fund owns solar assets in Italy and the second fund is an international solar fund with assets currently in the US and a broader international pipeline. These funds benefit from a right of first offer on all suitable opportunities outside of the UK, conditional (amongst other things) upon the relevant fund having sufficient capital available to invest in the identified opportunities. Increasing the geographic scope of the Company's investment policy may lead to an increase in the potential for conflicts of interest where an international investment opportunity may be suitable for the Company and/or any of the other funds managed by the Investment Adviser. The Investment Manager and the Investment Adviser will at all times have due regard to their duties owed to members of the Group and the NEC Group's other clients and, where a conflict arises, they will endeavour to ensure that it is resolved fairly and in accordance with the Investment Adviser's clear policy of allocation of opportunities across its funds. In addition, any relevant conflicts of interest will be disclosed by the NEC Group to the Board, as will decisions by the Investment Manager or Investment Adviser to allocate an investment opportunity appearing to fall within the Company's investment objective and policy to any other client.
- As the energy storage sector is rapidly developing, the economics of battery and other storage technologies are today still difficult to forecast over the long term. In addition, new technologies and regulation may arise during the life of the Company's investments. The Investment Manager and Investment Adviser, through their due diligence

investigations, will analyse information with respect to economic, operating and regulatory risks before making investments, but no assurance can be provided that prospective returns may not be adversely affected.

## **Explanatory Notes to the Resolutions to be proposed at the AGM**

### *Resolution 1 – Receipt and Consideration of the 2020 Annual Report*

Resolution 1 asks Shareholders to receive the 2020 Annual Report, together with the reports of the Directors and auditors contained therein.

### *Resolutions 2 and 3 – Approval of the Directors' Remuneration Report and Policy*

Resolution 2 asks Shareholders to approve the Directors' remuneration report for the year ended 31 March 2020 (which is included in the 2020 Annual Report and includes details regarding the current and proposed remuneration of the Directors), whilst resolution 3 asks Shareholders to approve the Directors' remuneration policy for the three year period to 31 March 2023 (which is set out in the Directors' remuneration report contained in the 2020 Annual Report).

### *Resolution 4 – Approval of Dividend Policy*

The Company's current policy is to make all of its dividend payments (four per annum) as interim dividends. This enables the fourth dividend payment to be made approximately two months earlier than would be the case if that dividend were categorised as a final dividend and therefore had to wait for Shareholder approval at the AGM. This arrangement is made in the interests of Shareholders, enabling them to benefit from the earlier receipt of the fourth dividend.

In accordance with the principles of good corporate governance, as there is no resolution to approve a dividend at the AGM, resolution 4 seeks Shareholder approval for continuation of the Company's current dividend policy.

The Company's investment objective is to provide Shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, by investing in a diversified portfolio of primarily UK-based solar energy infrastructure assets. For the financial year ended 31 March 2020, the Company has paid aggregate interim dividends of 6.87 pence per Ordinary Share. The Company has paid dividends since IPO that have increased annually in line with RPI. However, power prices and inflation levels have become less correlated since the IPO. This has been exacerbated by the significant fall in the forecast power prices and the uncertain economic outlook as a result of COVID-19. The Board believes it is prudent, therefore, to keep the Company's future dividend policy under review.

### *Resolutions 5 to 9 – Re-election / Election of Directors*

In line with the revised Code of Corporate Governance issued by the Association of Investment Companies in February 2019 (the "**New Code**"), Kevin Lyon, Patrick Firth, Vic Holmes and Sue Inglis are offering themselves for annual re-election. Jo Peacegood is offering herself for election, with this year's AGM being the first AGM held following her appointment as a Director on 20 February 2020.

The Board conducted a performance evaluation as detailed in the 2020 Annual Report and, following conclusion of the performance evaluation, is of the opinion that the Directors proposed for re-election and election bring a significant range of business, financial and management skills and experience to the Company and have proven their ability to provide effective independent judgement on issues relating to the Company's strategy, performance, resources and conduct, and to fulfil their legal responsibilities as Directors. Accordingly, the Board has no hesitation in

recommending to Shareholders that Kevin Lyon, Patrick Firth, Vic Holmes, Sue Inglis and Jo Peacegood be re-elected or elected, as proposed by resolutions 5 to 9.

Biographical details of the Directors are set out on pages 52 and 53 of the 2020 Annual Report. In making the recommendations with regard to the re-election / election of the current Directors, the Board had regard to each Director's other time commitments, including other non-executive director roles, and is satisfied that each Director has the capacity to be engaged fully with the Company's business.

#### *Resolutions 10 and 11 – Re-appointment and Remuneration of Auditor*

The Company is required to appoint an auditor at each general meeting at which accounts are presented to Shareholders, and KPMG Channel Islands Limited has indicated its willingness to continue in office. Resolution 10 asks Shareholders to re-appoint KPMG Channel Islands Limited as auditor of the Company and resolution 11 asks Shareholders to authorise the Directors to set the auditor's remuneration.

#### *Resolution 12 – Scrip Dividend*

The Company offers a scrip dividend alternative to Shareholders. Scrip dividends provide Shareholders with the flexibility to receive their quarterly dividend in cash or newly issued Ordinary Shares. In accordance with the Articles, the Company is required to seek the approval of Shareholders to continue to offer the scrip dividend alternative to Shareholders. The current authority was taken at the first annual general meeting of the Company and expires at the conclusion of this year's annual general meeting. Resolution 12 covers the period ending at the conclusion of the annual general meeting of the Company to be held in 2023.

#### *Resolution 13 and Resolution 14 – Waiver of Pre-emption Rights for Issues of Ordinary Shares*

Resolution 13 seeks a partial disapplication of the pre-emption rights contained in the Articles in order to allow the Company to issue new Ordinary Shares and/or sell Ordinary Shares out of treasury, at a premium to the prevailing NAV per Ordinary Share, without first offering them to existing Shareholders on a *pro rata* basis. This authority will expire at the conclusion of next year's annual general meeting, and it is presently intended that a resolution for the renewal of such authority will be proposed at each subsequent annual general meeting of the Company. If the resolution is passed, the number of Ordinary Shares which may be issued and allotted (or sold out of treasury) on a non-pre-emptive basis will be limited to the number of Ordinary Shares representing 10% of the Ordinary Shares in issue on the date on which resolution 13 is passed (this equates to 58,493,504 Ordinary Shares as at the Latest Practicable Date).

Resolution 14, which will only be proposed conditional on the passing of resolution 13, will provide the Directors with a further authority to issue and/or sell out of treasury on a non-pre-emptive basis up to a further 10% of the Ordinary Shares in issue on the date on which resolution 14 is passed without first offering them to existing Shareholders on a *pro rata* basis (this equates to 58,493,504 Ordinary Shares as at the Latest Practicable Date). This authority will also expire at the conclusion of next year's annual general meeting, and it is presently intended that a resolution for the renewal of such authority will be proposed at each subsequent annual general meeting of the Company.

If both resolution 13 and resolution 14 are passed, the Directors will have authority to issue and/or sell out of treasury up to 20% (in aggregate) of the Company's issued Ordinary Share capital on a non-pre-emptive basis. If resolution 13 is passed and resolution 14 is not passed, Shareholders will only be granting the Directors the authority to issue and/or sell out of treasury up to 10% of the existing issued Ordinary Share capital of the Company on a non-pre-emptive basis.

The purpose of these authorities is to allow the Company, if there are attractive opportunities for deploying the net proceeds, to issue (or sell) Ordinary Shares at a premium to the prevailing NAV per Ordinary Share when there is sufficient demand for the Ordinary Shares, and thereby to help to manage the premium at which the Ordinary Shares may trade relative to their underlying NAV. The proceeds of any such share issuance (or sales out of treasury) will be invested in accordance with the Company's investment policy and/or used to repay debt.

As at the Latest Practicable Date, the Company held no Ordinary Shares in treasury.

#### *Resolution 15 – Authorisation for Share Buy-backs*

Resolution 15 seeks Shareholder approval to renew the authority to purchase through the market up to 14.99% of the Ordinary Shares in issue (excluding treasury shares) on the date on which resolution 15 is passed (this equates to 87,681,763 Ordinary Shares as at the Latest Practicable Date) (the "**Buy-back Authority**").

The price (excluding expenses) paid for an Ordinary Share bought back pursuant to the Buy-back Authority will not be:

- less than 1p; or
- more than the higher of (i) 5% above the average of the middle market values of the Ordinary Shares for the five business days prior to the day the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the trading venue on which the purchase is carried out.

Any Ordinary Shares bought back under the Buy-back Authority may be held in treasury or cancelled.

The Buy-back Authority, if granted, will expire at the conclusion of next year's annual general meeting, and it is presently intended that a resolution for the renewal of such authority will be proposed at each subsequent annual general meeting of the Company.

The Buy-back Authority will only be exercised at the Directors' discretion and when the aggregate of the purchase price and expenses is less than the prevailing NAV per Ordinary Share. It is currently envisaged that Ordinary Shares acquired and held in treasury following any buy-back will be used to support liquidity in the Ordinary Shares.

#### *Resolution 16 – Adoption of New Articles*

The Board is proposing various changes to the Articles in order to reflect the New Code, to facilitate compliance with international requirements and to bring them into line with current law and market practice.

Resolution 16 proposes that the new form of the Articles to be tabled by the Chairman at the Annual General Meeting (the "**New Articles**") be adopted with immediate effect in substitution for and to the exclusion of the Company's current Articles.

The key proposed changes are as follows:

#### *Compliance with the New Code*

- In line with the New Code, Directors will be required to retire at each annual general meeting of the Company. Directors will continue to be entitled to stand for re-election at each annual general meeting.

#### *Directors' Remuneration*

- The New Articles contain a limit on the aggregate fees payable to the Directors of £400,000 per annum. As noted in the 2020 Annual Report, the level of this limit provides, in particular, flexibility in respect of the recruitment of additional Board members. Whilst the Board currently considers five Directors sufficient for the Company, the number of Directors may increase to six for some periods in order to aid succession and to ensure an orderly transition.

#### *Compliance with International Requirements*

- The powers of the Directors in respect of persons whose holding of shares in the Company creates a significant risk of the Company being in breach of applicable law have been updated to include those persons: (i) that may cause the Company to become subject to any withholding tax or penalties under international tax compliance legislation, including FATCA and CRS; (ii) that would prevent the Company from complying with applicable intergovernmental agreements; or (iii) that would create a significant risk of the Company being in breach of applicable anti-money laundering legislation or other applicable law and regulation. The powers of the Directors to obtain information from Shareholders in this regard and to compulsorily transfer shares falling into the relevant categories have also been expanded.

#### *Hybrid Meetings*

- Restrictions imposed in response to the coronavirus pandemic situation have restricted the physical attendance of shareholders at general meetings. The Board recognises that general meetings are an important part of shareholder engagement and those shareholders or individuals appointed as proxies or corporate representatives have the right to attend and engage with the Board. Accordingly, provisions have been included in the New Articles that will permit and regulate shareholder attendance at general meetings by electronic means.

A copy of the New Articles, together with a "blackline" version showing the proposed amendments, will, subject to any restrictions imposed in light of the COVID-19 pandemic, be available for inspection at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL and at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH up to and at the AGM and made available on the Company's website.

#### *Resolution 17 – Proposed Changes to Investment Policy*

The Board is seeking to make certain changes to the Company's investment policy. Further information on the proposed changes is set out above in this Part 1 under the heading "Proposed Changes to the Company's Investment Policy" and in Part 2.

#### **Annual General Meeting**

The AGM will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, on 11 September 2020 commencing at 10.00 a.m. The notice convening the AGM is contained in Part 4 of this document and sets out in full the business to be transacted at the AGM.

Resolutions 1 to 12 and 17 will be proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the relevant resolution.

Resolutions 13 to 16 will be proposed as special resolutions, which means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the relevant resolution.

Whilst restrictions within the Bailiwick of Guernsey in response to the current COVID-19 pandemic have been eased, permitting gatherings to take place within the Bailiwick of Guernsey, any persons arriving into the Bailiwick of Guernsey are presently required to self-isolate upon arrival. In light of the restrictions in place, Shareholders are strongly encouraged to vote by way of proxy instead of attending the AGM in person. Should this position change, the Company will release an announcement prior to the AGM to confirm the position in line with the latest guidelines and restrictions in place.

### **Action to be Taken**

You should ensure that your Proxy Appointment (and any relevant supporting documents) are returned to the Company's registrars, Link Registrars, by one of the following means:

- (i) by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;
- (ii) by requesting a hard copy form of proxy directly from Link Registrars as outlined in the note 5 of the AGM Notice in and submitting a hard copy form of proxy by post, by courier or by hand to PXS, Link Asset Services, 34 Beckenham, Kent, BR3 4TU; or
- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this document) to Link Registrars.

In each case, the Proxy Appointment must be received by Link Registrars as soon as possible and, in any event, not later than 10:00 a.m. on 9 September 2020.

Completion and return of the Proxy Appointment will not affect a Shareholder's right to attend, speak and vote at the AGM if current guidance changes and attendance is permissible.

If attendance is not permissible or you do not wish to attend in any event then Shareholders are invited to submit any questions they may have about the Company and its operations (i) in writing to the Company Secretary at the Company's Registered Office in advance of the AGM or (ii) by email to [NextEnergy@apexfs.com](mailto:NextEnergy@apexfs.com) by 10:00 a.m. on 9 September 2020. Answers to such questions will then be provided directly to any such Shareholders as soon as reasonably possible. The Company will also undertake to make available on the Company's website the questions received and the answers provided.

### **Recommendation**

The Board considers that all of the resolutions to be considered at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, your Board recommends that Shareholders vote in favour of the resolutions to be proposed at the AGM, as the Directors intend to do in respect of their own beneficial holdings of 405,240 Ordinary Shares, representing approximately 0.1% of the Ordinary Shares in issue as at the date of this document.

Yours faithfully

Kevin Lyon  
*Chairman*

## PART 2

# PROPOSED CHANGES TO THE INVESTMENT POLICY

*The changes that will be made to the Company's investment policy if resolution 17 is passed at the AGM have been marked up against the Company's existing investment policy as shown below.*

### **Investment Policy**

The Company seeks to achieve its investment objective by investing ~~exclusively~~ predominantly in solar PV assets.

The Company invests in solar PV assets primarily in the UK. Not more than ~~15~~30% of the Company's gross asset value ("**Gross Asset Value**") (calculated at the time of investment) may be invested in solar PV assets that are located outside the UK. Investments in solar PV assets outside the UK will be made ~~only~~ in OECD countries that the Investment Manager and Investment Adviser believe have a stable solar energy regulatory environment and provide investment opportunities with similar, or better, investment characteristics and returns relative to investments in the UK, although the Company may acquire an interest in solar PV assets located in non-OECD countries where those assets form part of a portfolio of solar PV assets in which the Company acquires an interest and where the Company's aggregate investment in any such assets is, at the time any such investment is made, not greater than 3% of the Gross Asset Value.

The Company intends to continue to acquire solar PV assets that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial or commercial. The Company may also acquire portfolios of residential or commercial building-integrated installations. The Company targets solar PV assets that are anticipated to generate stable cash flows over their asset lifespan.

The Company typically seeks to acquire sole ownership of individual solar PV assets through SPVs, but may ~~enter~~ invest in solar PV assets through entering into joint ventures ~~or acquire majority interests, subject, in each case, to the Company maintaining~~, acquiring minority interests or via private equity structures, provided that not more than 15% of the Gross Asset Value may be invested in private equity structures (calculated at the time of investment). ~~Where~~ a controlling ~~interest.~~ ~~Where~~ ~~an~~ interest of less than 100% in a particular solar PV asset is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Where a non-controlling interest is being acquired (either directly in a solar PV asset or through a private equity structure) the Company intends to secure minority protection rights or protections through limited partnership agreements in line with typical private equity structures. Investments by the Company in solar PV assets may be either by way of equity or a mix of equity and shareholder loans.

The Company has built up a diversified portfolio of solar PV assets and its investment policy contains restrictions to ensure risk diversification. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional stake) by the Company in any one solar PV asset will constitute (at the time of investment) more than 30% of the Gross Asset Value. In addition, the four largest solar PV assets will not constitute (at the time of investment) more than 75% of the Gross Asset Value.

The Company will continue, primarily, to acquire operating solar PV assets, but may also invest in solar PV assets that are under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10% of the Gross Asset Value in aggregate.

The Company may also agree to forward-fund by way of secured loans the construction costs of solar PV assets where it retains the right (but not the obligation) to acquire the relevant asset once operational. Such forward-funding will not fall within the 10% development restriction above but will be restricted to no more than 25% of the Gross Asset Value (at the time such arrangement is entered into) in aggregate and will only be undertaken where supported by appropriate security (which may include financial instruments as well as asset-backed guarantees).

The right to forward fund, subject to the above limitations, enables the Company to retain flexibility in the event of changes in the development pipeline over time. In addition, the Company will not employ forward funding and engage in development activity in relation to the same project or asset.

A significant proportion of the Group's income is expected to result from the sale of the entirety of the electricity generated by the solar PV assets within the terms of power purchase agreements ("**PPAs**") to be executed from time to time. These are expected to include the monetisation of ROCs and other regulated benefits and the sale of electricity generated by the assets to energy consumers and energy suppliers (Brown Power). Within this context, the Company expects to execute PPAs with creditworthy counterparties at the appropriate time.

The Company will continue to diversify its third-party suppliers, service providers and other commercial counterparties, such as developers, engineering and procurement contractors, technical component manufacturers, PPA providers and landlords.

In pursuit of the Company's investment objective, the Company may employ leverage, which borrowing together with the aggregate subscription monies paid in respect of all Preference Shares in issue and including any unpaid or undeclared dividends thereon) will not exceed (at the time the relevant arrangement is entered into) 50% of the Gross Asset Value in aggregate. Such leverage will be deployed for the acquisition of further solar PV assets in accordance with the Company's investment policy. The Company may seek to raise leverage at any of the SPV, UK Holdco or Company level.

The Company invests with a view to holding its solar PV assets until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Manager determines, in its discretion, that such realisation is in the best interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise. The Company will seek to optimise and extend the lifespan of its assets and may invest in their repowering and/or integration of ancillary technologies (e.g. energy storage) on its solar PV assets to fully utilise grid connections and balance the electricity grid with a view to generating greater revenues. [The Company may also invest in standalone energy storage systems \(not ancillary to or co-located with solar PV assets owned by the Company\) up to an aggregate limit of 10% of the Gross Asset Value \(calculated at the time of investment\).](#) The Company expects to re-invest any cash surplus (in excess of that required to meet the Company's dividend target and ongoing operating expenses) in further investments, thereby supporting its long-term net asset value.

The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds.

The Company may (but is not obliged to) enter into hedging arrangements in relation to interest rates and/or power prices.

Where investments are made in currencies other than sterling, currency hedging may be carried out to seek to provide protection to the level of sterling dividends and other distributions that the Company aims to pay on its shares and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. This may involve the use of

forward foreign exchange contracts to hedge the income from assets that are exposed to exchange rate risk against sterling and foreign currency borrowings to finance foreign currency assets.

Hedging transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to protect or enhance returns from the Company's portfolio and will not be carried out for speculative purposes.

As required by the Listing Rules, any material change to the Investment Policy of the Company will be made only with the approval of the FCA and of the Company's Ordinary Shareholders by ordinary resolution.

In the event of any breach of the Company's Investment Policy, Shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through a Regulatory Information Service or a notice sent to Shareholders at their registered addresses in accordance with the Articles.

## **PART 3**

### **DEFINITIONS AND GLOSSARY**

The following definitions apply throughout this document unless the context otherwise requires:

<b>"2020 Annual Report"</b>	the annual report and financial statements of the Company for the year ended 31 March 2020
<b>"AGM"</b>	the annual general meeting of the Company convened for 11 September 2020 at 10.00 a.m., notice of which is set out in Part 4 of this document, or any adjournment of that meeting
<b>"AGM Notice"</b>	the notice convening the AGM set out in Part 4 of this document
<b>"Articles"</b>	the articles of incorporation of the Company
<b>"Board" or "Directors"</b>	the board of Directors, including any duly constituted committee thereof
<b>"Company" or "NESF"</b>	NextEnergy Solar Fund Limited
<b>"CREST"</b>	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited
<b>"CRS"</b>	the Organisation for Economic Co-operation and Development's Common Reporting Standard
<b>"EPC"</b>	engineering procurement and construction
<b>"FATCA"</b>	the US Foreign Account Tax Compliance Act of 2010, as amended, and the applicable regulations thereunder
<b>"FCA"</b>	Financial Conduct Authority
<b>"Gross Asset Value"</b>	the aggregate of: (i) the fair value of the Group's underlying investments (whether or not subsidiaries) valued on an unlevered, discounted cashflow basis as described in the International Private Equity and Venture Capital Valuation Guidelines; (ii) the Group's proportionate share of the cash balances and cash equivalents of Group companies and non-subsidiary companies in which the Group holds an interest; and (iii) the other relevant assets or liabilities of the Group valued at fair value (other than third party borrowings) to the extent not included in (i) and (ii) above
<b>"Group"</b>	the Company, intermediate holding companies established by the Company from time to time to acquire and/or hold (directly or through SPVs) the Company's investments, the SPVs and any other direct or indirect subsidiaries of any of them (together, individually or in any combination as appropriate)
<b>"GW"</b>	gigawatt, equal to one billions watts, a measure of power
<b>"Investment Adviser"</b>	NextEnergy Capital Limited

<b>"Investment Manager"</b>	NextEnergy Capital IM Limited
<b>"IPO"</b>	initial public offering
<b>"IRR"</b>	internal rate of return
<b>"Latest Practicable Date"</b>	18 August 2020, being the latest practicable date prior to the date of this document for ascertaining certain information contained herein
<b>"Listing Rules"</b>	the listing rules made by the FCA pursuant to section 73A of the Financial Services and Markets Act 2000
<b>"NAV"</b>	net asset value
<b>"NEC Group"</b>	NextEnergy Capital SarL (Luxembourg) and its subsidiaries, including the Investment Manager and the Investment Adviser
<b>"OECD"</b>	the Organisation for Economic Co-operation and Development
<b>"Ordinary Shares"</b>	ordinary shares of no par value in the capital of the Company
<b>"Preference Shares"</b>	redeemable preference shares of no par value in the capital of the Company
<b>"Proxy Appointment"</b>	the appointment by a Shareholder of a proxy to vote on their behalf at the AGM in accordance with the instructions set out in the notes to the AGM Notice
<b>"PV"</b>	a photovoltaic panel, usually made from silicon, which turns solar radiation into electricity
<b>"Regulatory Information Service"</b>	a regulatory information service approved by the FCA
<b>"ROCs"</b>	Renewable Obligation certificates
<b>"RPI"</b>	the retail prices index as published by the Office for National Statistics
<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"SPV"</b>	a special purpose vehicle, being a company or other entity whose sole purpose is the holding of a particular asset

**PART 4**  
**NOTICE OF ANNUAL GENERAL MEETING**  
**NextEnergy Solar Fund Limited**

*(Incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)*

Notice is hereby given that the sixth annual general meeting of NextEnergy Solar Fund Limited will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, on 11 September 2020 commencing at 10.00 a.m. to transact the following business.

**Ordinary Business**

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive and consider the annual report and financial statements of the Company for the year ended 31 March 2020, together with the reports of the Directors and auditors contained therein.
2. To approve the Directors' remuneration report for the year ended 31 March 2020 contained within the annual report and financial statements of the Company for the year ended 31 March 2020.
3. That the Directors' remuneration policy for the three year period to 31 March 2023, as set out in the Directors' remuneration report for the year ended 31 March 2020 contained within the annual report and financial statements of the Company for the year ended 31 March 2020, be approved.
4. To approve the Company's dividend policy, as set out in Part 1 of the circular to Shareholders dated 19 August 2020.
5. To re-elect Kevin Lyon as a Director of the Company.
6. To re-elect Patrick Firth as a Director of the Company.
7. To re-elect Vic Holmes as a Director of the Company.
8. To re-elect Sue Inglis as a Director of the Company.
9. To elect Jo Peacegood as a Director of the Company.
10. To re-appoint KPMG Channel Islands Limited as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company.
11. To authorise the Directors to set the remuneration of the auditor.
12. That, in accordance with article 43 of the Company's articles of incorporation (the "**Articles**"), the Directors be and are hereby authorised to offer to any holder of Ordinary Shares in the Company the right to elect to receive new Ordinary Shares credited as fully paid, instead of cash, in respect of the whole (or part, to be determined by the Directors) of any dividend which may be declared or paid in the period prior to the conclusion of the annual general meeting of the Company to be held in 2023.

## Special Business

To consider and, if thought fit, pass the following resolutions as special resolutions:

13. That, in accordance with article 7.7 of the Articles, the Directors be and hereby generally and unconditionally authorised pursuant to the Articles to allot and issue (or sell treasury shares) up to such number of Ordinary Shares as shall be equivalent to 10% of the aggregate number of Ordinary Shares in issue (excluding treasury shares) at the date of passing of this resolution as if the pre-emption rights in article 7.2 of the Articles do not apply to such allotment and issue. This authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2021 (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make any offer or agreement which would or might require Ordinary Shares to be allotted or issued (or treasury shares to be sold) after such expiry and the Directors may allot and issue Ordinary Shares (or sell treasury shares) in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.
14. That, conditional on the passing of Resolution 13 and in addition to the authority granted thereunder, in accordance with article 7.7 of the Articles, the Directors be and hereby generally and unconditionally authorised pursuant to the Articles to allot and issue (or sell treasury shares) up to such number of Ordinary Shares as shall be equivalent to 10% of the aggregate number of Ordinary Shares in issue (excluding treasury shares) at the date of passing of this resolution as if the pre-emption rights in article 7.2 of the Articles do not apply to such allotment and issue. This authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2021 (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make any offer or agreement which would or might require Ordinary Shares to be allotted or issued (or treasury shares to be sold) after such expiry and the Directors may allot and issue Ordinary Shares (or sell treasury shares) in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.
15. That the Company be and is hereby generally and unconditionally authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008, as amended, (the "**Law**") to make market purchases (as defined in section 316 of the Law) of Ordinary Shares (which may be cancelled or held as treasury shares), provided that:
  - (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 14.99% of the total number of Ordinary Shares in issue (excluding treasury shares) as at the date of the passing of this resolution;
  - (ii) the minimum price (exclusive of expenses) which may be paid for any Ordinary Share shall be 1p; and
  - (iii) the maximum price (exclusive of expenses) that the Company may pay for any Ordinary Share is the higher of (a) an amount equal to 105% of the average of the mid-market quotations for the Ordinary Shares as derived from the Daily Official List of London Stock Exchange plc for the five business days immediately before the day on which such Ordinary Share is contracted to be purchased and (b) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;

and, unless renewed, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2021, save that the Company may,

prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

16. That the articles of incorporation of the Company produced to the meeting and initialled by the Chairman for the purpose of identification be adopted as the articles of incorporation of the Company in substitution for, and to the exclusion of, the existing articles of incorporation.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

17. That the proposed changes to the Company's investment policy as set out in Part 2 of the circular to shareholders dated 19 August 2020, of which this notice forms part, be and are hereby approved.

By order of the Board

Apex Fund and  
Corporate Services  
(Guernsey) Limited  
*Company Secretary*

19 August 2020

Registered Office

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey  
Channel Islands  
GY1 2HL

#### **Notes:**

The following notes explain your general rights as a Shareholder and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of trading on 9 September 2020. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
5. You can vote:
  - (i) by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions; or

- (ii) by requesting a hard copy form of proxy directly from the Company's registrars, Link Registrars, on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Hard copy proxy forms should be returned by post, by courier or by hand to PXS, Link Asset Services, 34 Beckenham, Kent, BR3 4TU; or
- (iii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In each case the Proxy Appointment must be received by Link Registrars by 10.00 a.m. on 9 September 2020.

6. If you return more than one Proxy Appointment, either by paper or electronic communication, the appointment received last by Link Registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
7. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 9 below) will not prevent a Shareholder from attending the meeting and voting in person if he/she is permitted and wishes to do so.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 9 September 2020. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where

applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.

11. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. As at 19 August 2020, the Company's ordinary issued share capital consisted of 584,935,046 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 19 August 2020 are 584,935,046.
13. Any Shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Whilst restrictions within the Bailiwick of Guernsey in response to the current COVID-19 pandemic have been eased, permitting gatherings to take place within the Bailiwick of Guernsey, any persons arriving into the Bailiwick of Guernsey are presently required to self-isolate upon arrival. In light of the restrictions in place, Shareholders are strongly encouraged to vote by way of proxy instead of attending the AGM in person. Should this position change, the Company will release an announcement prior to the AGM to confirm the position in line with the latest guidelines and restrictions in place. If attendance is not permissible or you do not wish to attend in any event then Shareholders are invited to submit any questions they may have about the Company and its operations (i) in writing to the Company Secretary at the Company's Registered Office in advance of the AGM or (ii) by email to [NextEnergy@apexfs.com](mailto:NextEnergy@apexfs.com) by 10:00 a.m. on 9 September 2020. Answers to such questions will then be provided directly to any such Shareholders as soon as reasonably possible. The Company will also undertake to make available on the Company's website the questions received and the answers provided.
14. The following documents are, subject to any restrictions as a result of the current COVID-19 pandemic, available for inspection during normal business hours at the registered office of the Company on any business day from the date of this notice until the time of the meeting and may also be inspected at the meeting venue, as specified in this notice, from 9.00 a.m. on the day of the meeting until the conclusion of the meeting and are also available on the Company's website:
  - (i) this document; and
  - (ii) a copy of the proposed new articles of incorporation of the Company, together with a copy of the existing articles of incorporation of the Company marked to show the changes being proposed.