



REMUNERATION COMMITTEE TERMS OF REFERENCE

ADOPTED 14 DECEMBER 2021

THOMASLLOYD ENERGY IMPACT TRUST PLC

REMUNERATION COMMITTEE TERMS OF REFERENCE

1 DEFINITIONS

- 1.1 Reference to the "**Company**" shall ThomasLloyd Energy Impact Trust PLC.
- 1.2 Reference to the "**Committee**" shall mean the Remuneration Committee.
- 1.3 Reference to the "**Board**" shall mean the board of directors of the Company.
- 1.4 Unless otherwise stated, reference to "**Chair**" shall mean the Chair of the Committee.
- 1.5 Reference to the "**Market Abuse Regulation**" shall mean the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.
- 1.6 Reference to the "**Prospectus Regulation**" shall mean the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019.
- 1.7 Unless otherwise stated, reference to "**Secretary**" shall mean the Secretary of the Committee.
- 1.8 Unless otherwise stated, a reference to:
- (a) any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an "**EU Matter**") which is to form part of UK domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read as a reference to that EU Matter as it forms (by virtue of section 3 of the European Union (Withdrawal) Act 2018) part of UK domestic law and as modified by domestic law from time to time; and
 - (b) any EU entity shall be read as a reference to the UK institution, authority or body to which its functions were transferred, and words and expressions used in this paragraph 1.8 shall have the meanings given to them respectively in the European Union (Withdrawal) Act 2018.

2 CONSTITUTION AND PURPOSE

- 2.1 The Committee has been established by resolution of the Board and is to be known as the Remuneration Committee.
- 2.2 The role of the Committee is to assist the Board by determining the remuneration policy of the Company and setting the remuneration of the directors, having regard to statutory and regulatory requirements and in accordance with the articles of association of the Company (the "**Articles**").
- 2.3 These terms of reference may be amended from time to time by a resolution of the Board.

3 MEMBERSHIP

- 3.1 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. The Board shall appoint the Chair who shall be an independent non-executive director. Before such appointment, the Board shall satisfy itself that the appointee has relevant experience and understanding of the Company.
- 3.2 All members of the Committee shall be independent non-executive directors. The Chair of the Board may also serve on the Committee as an additional member if they were independent on appointment, but shall not chair the Committee. Any member who fails to remain independent will step down from the Committee.
- 3.3 Appointments to the Committee shall be for a period of up to three years, which may be extended by further three year periods, provided the members continue to be independent.
- 3.4 The Board shall regularly review the membership of the Committee to ensure that its membership is refreshed and undue reliance is not placed on particular individuals
- 3.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals (if not members of the Committee) such as other directors of the Company, representatives of the alternative investment fund manager, the investment manager or other external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 3.6 The Board may fill vacancies in the Committee by appointment from amongst the Board.
- 3.7 Each member of the Committee shall disclose to the Committee:
- (a) any personal financial or other interest in any matter to be decided by the Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship or otherwise,
- and any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.
- 3.8 Members of the Committee shall at all times give due consideration to the Association of Investment Companies Code of Corporate Governance as applicable to the Company (the "**AIC Code**") and any other laws, codes, rules and regulations applicable to the Company.

4 SECRETARY

- 4.1 The company secretary, or his or her 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 issues.

- 4.2 The Committee shall have access to the services of the Secretary on all Remuneration Committee matters, including: assisting the Chair in planning the Committee's work, drafting meeting agendas, maintaining minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

5 QUORUM AND VOTING ARRANGEMENTS

- 5.1 The quorum necessary for the transaction of business shall be two members of the Committee. 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.
- 5.2 Members may participate in a meeting of the Committee by being physically present together or by means of a telephone or video conference or other communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.
- 5.3 Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting of the Committee. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
- 5.4 Except where he or she has a personal interest, the Chair shall have a casting vote.
- 5.5 In the absence of the Chair and/or an appointed deputy at a Committee meeting, the remaining members of the Committee present shall elect one of themselves to chair the meeting. The Chair of the Board shall not be Chair of the Committee.
- 5.6 A resolution in writing or via email and signed or otherwise approved via electronic signature by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

6 FREQUENCY OF MEETINGS

The Committee shall meet at least once a year and otherwise at any such time as deemed appropriate by the Committee.

7 NOTICE OF MEETINGS

- 7.1 Meetings of the Committee shall be convened by the Secretary at the request of any of its members.
- 7.2 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of the Articles regulating the meetings and proceedings of directors.
- 7.3 Unless otherwise agreed by the Committee, 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 and any other person required to attend and all other non-executive directors no later than five working days before the date of the meeting. The Secretary or his or her nominee shall ensure that supporting information and papers shall be sent to Committee members and other attendees as appropriate at the same time.
- 7.4 Notices, agendas and supporting papers will be sent in electronic form.

8 MINUTES OF MEETINGS

- 8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 The Secretary shall ascertain at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.
- 8.3 Draft minutes of Committee meetings shall be agreed with the Chair and then circulated promptly to all members of the Board, unless it would be inappropriate to do so in the opinion of the Chair, for example as a result of a conflict of interest.

9 ANNUAL GENERAL MEETING

- 9.1 The Chair shall attend the Company's annual general meeting prepared to respond to any shareholder questions on the Committee's activities.
- 9.2 The Annual Report shall include a description of the work of the Remuneration Committee as required by the AIC Code, which shall be approved by the Remuneration Committee.
- 9.3 The Annual Report shall also contain a report on the Committee's activities, including its membership and frequency of and attendance at its meetings, compiled by the Committee.
- 9.4 The Annual Report shall include where remuneration consultants are used, details of the consultants and a statement of any other connection they have to the Company or individual directors.

10 DUTIES

The Committee should have oversight of, and carry out the duties below for, the Company, major subsidiary undertakings (if any) and the group as a whole (if a group is in existence), as appropriate.

The Committee shall:

- (a) have responsibility for determining and agreeing the remuneration policy for the directors of the Company and the chair of the Board in accordance with the Articles to ensure that the policy supports the Company's strategy and promotes the long-term sustainable success of the Company;

- (b) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the AIC Code and associated guidance;
- (c) review any proposed changes to the remuneration of the directors of the Company and ensure that no Director shall be involved in any decision as to their own remuneration;
- (d) review the ongoing appropriateness and relevance of the remuneration policy;
- (e) review and consider any additional ad-hoc payments to the directors of the Company;
- (f) make recommendations to the Board for approval by shareholders of the Company at the annual general meeting of the Company (advisory vote only);
- (g) have full authority to appoint remuneration consultants and to commission or purchase any reports surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board;
- (h) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (i) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company;
- (j) ensure that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- (k) agree the policy for authorising claims for expenses from the directors.

11 REPORTING RESPONSIBILITIES

- 11.1 The Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include any issues on which the Board has requested the Committee's opinion.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 Through the chair of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 11.4 The Committee shall produce a Remuneration Policy which shall be included in the Company's annual report and ensure that it is put to shareholders for approval at the AGM every three years or whenever there is a change to the Remuneration Policy.

12 OTHER MATTERS

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required;
- 12.2 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;
- 12.3 give due consideration to relevant laws and regulations, the provisions of the AIC Code and the requirements of the Listing Rules published by the Financial Conduct Authority, the Prospectus Regulation Rules and the Disclosure Guidance and Transparency Rules made by the Financial Conduct Authority under section 73A of the Financial Services and Markets Act 2000, as amended, the Prospectus Regulation, the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019, the Market Abuse Regulation and any other applicable rules, as appropriate;
- 12.4 oversee any investigation of activities which are within its terms of reference;
- 12.5 work and liaise as necessary with all other Board committees; and
- 12.6 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.

13 AUTHORITY

The Committee is authorised to:

- 13.1 seek any information it requires from any member of the Board or any director or employee of the alternative investment fund manager, the investment manager or any other adviser (from time to time) in order to perform its duties;
- 13.2 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference;
- 13.3 call any officers of the Company to be questioned at a meeting of the Committee as and when required; and
- 13.4 have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

14 PUBLICATION OF TERMS OF REFERENCE

These Terms of Reference shall be made available on the Company's website.