

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.

If you were a Shareholder and have sold or otherwise transferred all your Ordinary Shares, please send this document, together with the accompanying 2017 Annual Report and Form of Proxy, 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.

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 2017 ANNUAL GENERAL MEETING

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 24 August 2017 commencing at 10.00 a.m. The notice convening the AGM is set out in Part 5 of this document.

To be valid for use at the relevant Meetings, the accompanying Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by not later than 10.00 a.m. on 22 August 2017. Alternatively, if you hold your Ordinary Shares in uncertificated form, you may appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the notice convening the AGM in Part 5 of this document and such appointment should be transmitted as soon as possible and, in any event, so as to be received by not later than 10.00 a.m. on 22 August 2017.

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 Schemes Rules 2015. 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 TIMETABLE¹

2017

Latest time and date for receipt of Forms of Proxy and appointments of proxies utilising CREST electronic proxy appointment service for use at AGM	10.00 a.m. on 22 August
AGM	10.00 a.m. on 24 August
Changes to investment policy effective ²	24 August

Notes:

¹All times referred to in this document are references to London time.

²Conditional on resolution 10 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

Registered Office

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

29 June 2017

To Shareholders

Dear Shareholder

Introduction

I am pleased to invite you to the third annual general meeting of the Company, which will be held at 10.00 a.m. on 24 August 2017. You will find enclosed with this document the annual report and financial statements of the Company for the year ended 31 March 2017 and a Form of Proxy for use at the AGM.

The business to be conducted at the AGM is set out in the notice convening the AGM in Part 5 of this document. 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. An explanation of all the resolutions to be proposed at the AGM is set out in Part 3 of this document.

Proposed Changes to the Investment Policy

Introduction

The principal change that the Directors are proposing is to broaden the geographic scope of the Company's investment policy. Specifically, the Directors are proposing that the Company should be permitted to invest up to 15% of its Gross Asset Value (calculated at the time of investment) in solar PV assets that are located outside the UK. Investments outside the UK would 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 risk-weighted returns relative to investments in the UK.

As a consequence of broadening the geographic scope of the Company's investment policy, the Directors are also proposing that the investment policy be amended so as to address currency hedging. It is proposed that, 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 the Ordinary Shares and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure.

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 there continues to be significant investment opportunities. 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 target returns to Shareholders. Accordingly, the Company will continue to aim:

- to increase its aggregate dividends per Ordinary Share in respect of each financial year of the Company in line with RPI growth¹; and
- to deliver aggregate returns to investors that equate to a net IRR of between 7% and 9% (after fees and expenses) based on the Company's IPO issue price of 100 pence per Ordinary Share¹.

Background to, and Reasons for, the Proposed Changes

There continue to be significant investment opportunities in the UK solar market and the Investment Adviser continues to focus on securing UK investment opportunities at attractive acquisition metrics/returns on capital employed. The Company has a large pipeline of UK opportunities secured by letters of intent or which are in negotiations or advanced discussions. However, increased interest by new market entrants and existing financial investors is leading to increasing price pressures for the acquisition of operational solar PV plants.

Over the past year, the Company has focused on acquiring multiple smaller projects from a broader group of counterparties to drive attractively-priced portfolio growth. Future UK portfolio growth is expected to result from the acquisition of operational solar PV plants as well as, over the next 12 to 24-month period, from the acquisition of subsidy-free solar plants (whether operational or to be constructed). Subsidy-free solar plants are expected to become financially viable in the UK over that time frame as solar investment values and operating costs continue to decline significantly. The Investment Adviser is seeking to be at the forefront of working with suppliers to drive investment values and operating costs down to levels that will be sustainable without subsidies.

The growth in installed solar capacity in other markets continues at a rapid pace, with current published targets indicating an expected growth from the current 330GW installed globally to 600GW by 2020. 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.

The Board believes that the Investment Adviser's solar expertise is relevant across geographies. This has already been demonstrated by the NEC Group, which has taken its expertise developed in Italy starting in 2007 and has successfully deployed it in the UK and South African solar markets. In addition, the systems and know-how of WiseEnergy, the Company's operating asset manager, are deployable 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 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 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:

- *UK solar assets are becoming more expensive - broadening the geographic scope of the investment policy will enable the Company to acquire more attractively priced assets elsewhere:* Extending the Company's investment policy will increase the range of investment opportunities

¹ These are targets only and not profit forecasts. There can be no assurance that these targets can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns.

available to the Company at attractive returns on capital employed and will be consistent with the Company's target returns to Shareholders. 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 prices than in the UK.

- *Including some international investments in the Company's portfolio should reduce the sensitivity of the overall portfolio to volatility of wholesale power markets:* Several of the international solar markets that the Company intends to focus on offer investment opportunities where solar PV plants 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 plant. This compares positively against solar assets in the UK where the fixed revenues represent typically around 50% of the total revenues (depending on the type and level of subsidies granted to each asset).

Sourcing and Managing Non-UK Investments

Investments outside the UK would 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 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; identifiable value-add and asset optimisation opportunities.

The Investment Adviser is currently reviewing investment opportunities in France, Netherlands, Australia, Italy, Spain, Japan and the US. In many instances, the market participants in these solar markets are well-known to the Investment Adviser due to their activities in the UK market and/or because they have already developed projects or constructed assets that are now part of the Company's portfolio. 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 vast majority of the key constituents of the investment process in solar assets are standard in the global industry. 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 plant), thereby mitigating any development risks.

The international solar markets that the Company intends to focus on are denominated in currencies supported by sophisticated and highly liquid FX hedging markets against GBP (mainly the US dollar, the Euro and the Australian dollar). Where investments are made in currencies other than sterling, the Company intends to implement an FX hedging strategy that seeks to provide protection to the level of sterling dividends and other distributions that the Company aims to pay on the Ordinary Shares and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. In formulating its FX hedging strategy, the Company will seek advice from specialist advisers.

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 were 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.

In addition to the risks outlined above, the Company will continue to be subject to the risks as outlined in the Company's registration document dated 15 November 2016 (a copy of which available for inspection on the Company's website at www.nextenergysolarfund.com).

General

The Company has a right of "first offer" in respect of all large scale ground-mounted or building-integrated solar PV projects located in the United Kingdom that are sourced by the NEC Group and meet the Company's investment objective and policy. It is not intended that this right of "first offer" will be extended to non-UK solar PV projects that may be sourced by the NEC Group.

Annual General Meeting

The AGM will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, on 24 August 2017 commencing at 10.00 a.m. The notice convening the AGM is set out in Part 5 of this document and sets out in full the business to be transacted at the AGM. Explanatory notes on each of the resolutions to be proposed at the AGM are set out in Part 3 of this document

Resolutions 1 to 7 and 10 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 8 and 9 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.

Action to be Taken

If you hold Ordinary Shares directly (that is, the Ordinary Shares are registered in your name in the Company's register of members), you will find enclosed with this document a Form of Proxy for use at the AGM. Please complete the Form of Proxy and return it by post to the address set out on it as soon as possible and, in any event, so as to be received by not later than 10.00 a.m. on 22 August 2017.

If you hold Ordinary Shares through CREST, you may appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the AGM Notice and such appointment should be transmitted as soon as possible and, in any event, so as to be received by not later than 10.00 a.m. on 22 August 2017.

The completion and return of a Form of Proxy, or the appointment of a proxy utilising the CREST electronic proxy appointment service, will not prevent a Shareholder from attending the AGM and voting in person if they wish to do so.

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 341,315 Ordinary Shares, representing 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 10 is passed at the AGM have been marked up against the Company's existing investment policy shown below.

Investment Policy

The Company ~~invests~~ seeks to achieve its investment objective by investing exclusively in solar PV plants ~~located in the UK.~~

The Company invests in solar PV assets primarily in the UK. Not more than 15% 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 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.

The Company intends to continue to acquire ~~assets~~ solar PV plants 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 plants that are anticipated to generate stable cash flows over their asset lifespan.

The Company typically seeks to acquire sole ownership of individual solar PV plants through SPVs, but may enter into joint ventures or acquire majority interests, subject, in each case, to the Company maintaining a controlling interest. Where an interest of less than 100% in a particular solar PV plant is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Investments by the Company in solar PV plants 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 plants 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 plant will constitute (at the time of investment) more than 30% of the Gross Asset Value. In addition, the four largest solar PV plants 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 plants, but may also invest in solar PV plants 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 plants where it retains the right (but not the obligation) to acquire the relevant plant 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 plants within the terms of power purchase agreements ("PPA") 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 plants 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 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 plants 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 has a preference for medium- to long-term amortising debt financing.

The Company invests with a view to holding its solar PV plants 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 plants to fully utilise grid connections and balance the electricity grid with a view to generating greater revenues. 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 its 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

EXPLANATORY NOTES ON THE RESOLUTIONS TO BE PROPOSED AT THE AGM

Resolution 1 – Receipt and Consideration of the 2017 Annual Report

Resolution 1 asks Shareholders to receive the 2017 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 2017 (which is included in the 2017 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 30 April 2020 (which is set out in the Directors' remuneration report contained in the 2017 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 have to wait for Shareholder approval at the AGM in August. This arrangement is made in the interests of Shareholders, enabling them to benefit from the earlier receipt of the fourth dividend.

For the financial year ended 31 March 2017, the Company has paid or declared aggregate interim dividends of 6.31p per Ordinary Share. The Company aims to increase its aggregate interim dividends per Ordinary Share in respect of each financial year in line with RPI growth².

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 the Company's current dividend policy.

Resolution 5 – Re-election of Director

Patrick Firth, who retires by rotation at the AGM, is offering himself for re-election.

The other members of the Board have reviewed the proposed re-election of Patrick Firth and are of the opinion that he brings a significant range of business, financial and management skills and experience to the Company and has proven his ability to provide effective independent judgement on issues relating to the Company's strategy, performance, resources and conduct and to fulfil his legal responsibilities as a Director. Accordingly, the Board has no hesitation in recommending to Shareholders that Patrick Firth be re-elected, as proposed by resolution 5.

Biographical details of Patrick Firth are set out on page 71 of the 2017 Annual Report.

Resolutions 6 and 7 – 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 PricewaterhouseCoopers CI LLP has indicated its willingness to continue in office. Accordingly, resolution 6 asks Shareholders to re-appoint PricewaterhouseCoopers CI LLP as auditor of the Company and resolution 7 asks Shareholders to authorise the Directors to set the auditor's remuneration.

² Note: This is a target and not a profit forecast. There can be no assurance that this target can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns.

Resolution 8 – Waiver of Pre-emption Rights for Limited Issues of Ordinary Shares

At the general meeting of the Company held on 11 October 2016, the Directors were authorised to issue up to 350,000,000 Ordinary Shares and/or C Shares pursuant to the share issuance programme described in the prospectus published by the Company on 15 November 2016 (the "**Share Issuance Programme Authority**"). As at 27 June 2017, 225,300,000 Ordinary Shares have been issued pursuant to the Share Issuance Programme Authority. The authority to issue up to a further 124,700,000 Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme Authority will expire on 15 November 2017.

Resolution 8 seeks a partial disapplication of the pre-emption rights contained in the Company's articles of incorporation in order to allow the Company to issue new Ordinary Shares and/or sell Ordinary Shares out of treasury at a premium to current NAV per Ordinary Share without first offering them to existing Shareholders on a *pro rata* basis. This authority, which will be in addition to the Share Issuance Programme Authority, will expire at the conclusion of next year's annual general meeting or 15 months after the passing of resolution 8 (whichever is earlier) 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 20% of the Ordinary Shares in issue on the date on which resolution 8 is passed (this equates to 114,277,639 Ordinary Shares as at 27 June 2017). This will allow the Company to continue 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 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.

As at 27 June 2017, the Company held no Ordinary Shares in treasury.

Resolution 9 – Authorisation for Share Buy-backs

Resolution 9 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 9 is passed (this equates to 85,561,091 Ordinary Shares as at 27 June 2017) (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 or 15 months after the passing of resolution 9 (whichever is earlier) 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 10 – Approval of Changes to the Investment Policy

The full text of the Company's current published investment policy, with the proposed changes highlighted in order to allow easy comparison, is set out in Part 2 of this document.

The Listing Rules require any proposed material changes to the Company's published investment policy to be submitted to the FCA for prior approval; the FCA has approved the proposed changes highlighted in Part 2 of this document. Resolution 10 is being proposed because the Listing Rules also require Shareholder approval prior to any material changes being made to the Company's published investment policy.

As the FCA has given its approval for the proposed changes, the revised investment policy will be effective immediately following approval by Shareholders at the AGM.

PART 4

DEFINITIONS AND GLOSSARY

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

"2017 Annual Report"	the annual report and financial statements of the Company for the year ended 31 March 2017, a copy of which accompanied this document
"AGM"	the annual general meeting of the Company convened for 24 August 2017 at 10.00 a.m., notice of which is set out in Part 5 of this document, or any adjournment of that meeting
"AGM Notice"	the notice convening the AGM set out in Part 5 of this document;
"Board"	the board of Directors, including any duly constituted committee thereof
"Company"	NextEnergy Solar Fund Limited
"CREST"	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities (as defined in the Uncertificated Securities Regulation 2001 (SI 2001 No. 3775)) operated by Euroclear UK & Ireland Limited
"C Shares"	redeemable convertible shares of no par value in the capital of the Company issued as "C Shares"
"Directors"	the directors of the Company, whose names appear on page 3 of this document
"EPC"	engineering procurement and construction
"FCA"	Financial Conduct Authority
"Form of Proxy"	the form of proxy issued by the Company for use by Shareholders in connection with the AGM
"FX"	foreign exchange
"GBP"	pounds sterling
"Gross Asset Value"	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
"Group"	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)
"GW"	gigawatt, equal to one billions watts, a measure of power
"Investment Manager"	NextEnergy Capital IM Limited
"Investment Adviser"	NextEnergy Capital Limited
"IPO"	initial public offering

"IRR"	internal rate of return
"Listing Rules"	the listing rules made by the FCA pursuant to section 73A of the Financial Services and Markets Act 2000
"NAV"	net asset value
"NEC Group"	NextEnergy Capital SarL (Luxembourg) and its subsidiaries, including the Investment Manager and the Investment Adviser
"OECD"	the Organisation for Economic Co-operation and Development
"Ordinary Shares"	ordinary shares of no par value in the capital of the Company
"PV"	a photovoltaic panel, usually made from silicon, turns solar radiation into electricity
"RPI"	the retail prices index as published by the Office for National Statistics or any comparable index which may replace it for all items
"Shareholders"	holders of Ordinary Shares
"SPV"	a special purpose vehicle, being a company or other entity whose sole purpose is the holding of a particular asset

Note: All references in this document to 27 June 2017 should be regarded as being references to the latest practicable date prior to the publication of this document.

PART 5

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 third annual general meeting of NextEnergy Solar Fund Limited will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, on 24 August 2017 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 2017, together with the reports of the Directors and auditors contained therein.
2. To approve the Directors' remuneration report for the year ended 31 March 2016 contained within the annual report and financial statements of the Company for the year ended 31 March 2017.
3. That the Directors' remuneration policy for the three year period to 31 March 2020, as set out in the Directors' remuneration report for the year ended 31 March 2016 contained within the annual report and financial statements of the Company for the year ended 31 March 2017, be approved.
4. To approve the Company's dividend policy, as set out in the relevant explanatory note in Part 3 of the circular to Shareholders dated 29 June 2017.
5. To re-elect Patrick Firth as a director of the Company.
6. To re-appoint PricewaterhouseCoopers CI LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company.
7. To authorise the Directors to set the remuneration of the auditors.

Special Business

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

8. That, in accordance with article 7.7 of the articles of incorporation of the Company (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 of no par value in the capital of the Company ("**Ordinary Shares**") as shall be equivalent to 20% 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 2018 (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.
9. 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 of no par value in the capital of

the Company ("**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 2018, 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.

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

10. That the proposed changes to the Company's investment policy as set out in Part 2 of the circular to Shareholders dated 29 June 2017, of which this notice forms part, be and are hereby approved.

By order of the Board
Ipes (Guernsey) Limited
Company Secretary

29 June 2017

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

Notes

1. Members who want to vote should either attend the AGM in person or appoint a proxy or corporate representative. A member is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the AGM. A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him/her. A proxy need not be a member of the Company.
2. A proxy can be appointed by completing a personalised proxy form in paper or through the CREST electronic proxy appointment service.
3. A paper Form of Proxy is enclosed. Please read carefully the instructions on how to complete the Form of Proxy. To be effective, a duly completed paper Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of any such power of attorney or other authority, must be received by Capita Asset Services at PXS, 34 Beckenham Road, Beckenham BR3 4TU not later than 10.00 a.m. on 22 August 2017.
4. The appointment of a proxy does not preclude a member from subsequently attending and voting at the AGM in person if he/she so wishes.
5. Any person to whom this AGM Notice is sent who is a person nominated to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

6. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders.
7. A copy of this AGM Notice and further information about the AGM can be found at the website of the Company (www.nextenergysolarfund.com).
8. Only those Shareholders registered in the register of members of the Company as at 6.00 p.m. on 22 August 2017 or, in the event that the AGM is adjourned, in such register 48 hours before the time of the adjourned meeting, shall be entitled to attend or vote at the AGM in respect of the number of Ordinary Shares registered in their names at the relevant time. Changes to entries after the relevant time will be disregarded in determining the rights of any person to attend or vote at the AGM.
9. As at 27 June 2017 the Company's issued share capital consists of 571,388,199 Ordinary Shares carrying one vote each, none of which were held in treasury. Therefore, the total voting rights in the Company as at 27 June 2017 were 571,388,199.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via <http://www.euroclear.com/CREST>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made using the CREST service 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 specified in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) not later than the time stated in note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change in instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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 messages. 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 to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. Reference should be made 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 Uncertified Securities (Guernsey) Regulations 2009.

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Any AGM attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the AGM that relate to the business being dealt with at the AGM unless:
 - (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (ii) the answer has already been given on the Company's website in the form of an answer to a question; or
 - (iii) it is undesirable in the interests of the Company or the good order of the AGM to answer the question.
13. Copies of the following documents are available for inspection at the offices of NextEnergy Capital Limited at 17 Hanover Square, London W1S 1BN, and will also be available for inspection at the place of the AGM from 9.00 a.m. on the date of the AGM until its closure:
 - (i) the articles of incorporation of the Company; and
 - (ii) this document.