

Aquila European Renewables Income Fund plc

Remuneration and Nomination Committee Terms of Reference

(Approved by the Board on 29 April 2019)

Definitions

Reference to the "**Board**" shall mean the board of directors of the Company.

Reference to the "**Chairman**" shall mean the chairman of the Company.

Reference to the "**Committee**" shall mean the Remuneration and Nomination Committee.

Reference to the "**Committee Chairman**" shall mean the Chairman of the Committee.

Reference to the "**Company**" shall mean Aquila European Renewables Income Fund plc.

Reference to the "**Company Secretary**" shall mean the appointed company secretary of the Company.

Unless otherwise stated, reference to "**Secretary**" shall mean the Secretary of the Committee.

Scope

These terms of reference are issued to the Remuneration and Nomination Committee.

Composition of the Committee

The Committee was constituted at a full meeting of the Board held on [●] April 2019 in accordance with the articles of association of the Company.

The Committee shall be comprised of two or more independent directors. The chairman of the Board may be a member of the Committee but may not act as the Committee Chairman.

The Committee Chairman shall be appointed by the Board.

Term

Each appointment of the Committee shall be for a period of three years which may be extended for further period of up to three years provided that each director meets the criteria for membership of the Committee and subject always to the annual review of the Committee by the Chairman.

Meetings

The Committee will meet at least once each year and at such other times as shall be required. A quorum necessary for the transaction of business shall be any two members of the Committee. Any director, upon request to the Secretary, may obtain copies of the Committee's

agenda and minutes provided that there is no conflict of interests. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The minutes of each meeting of the Committee shall be circulated to all members of the Committee and other directors of the Company.

The Committee Chairman shall attend the Company's annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

Attendance

The Committee may invite other directors to attend and may request representatives of third-party service providers of the Company or any other relevant person to attend meetings but such invitees shall have no right of attendance.

Resources

The Company Secretary shall act as Secretary to the Committee and should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Authority

The Committee is authorised to:

- seek any information it reasonably requires from a representative of any third party service provider in order to perform its duties;
- request a representative of a third party service provider to attend any meeting of the Committee;
- obtain at the Company's expense outside legal or other professional advice on any matters within its terms of reference; and
- have timely and unrestricted access to relevant documents relating to the affairs of the Company.

Principal Responsibilities

The principal responsibilities of the Committee are:

- to regularly review the structure, size and composition of the Board (including the skills, knowledge, experience and diversity) and make recommendations to the Board with regard to any changes;
- to identify individuals qualified to become members of the Board and selecting director nominees for election at general meetings or for appointment to fill vacancies;
- to give full consideration to succession planning for directors, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- to review length of service of the directors and assess if this impacts on their independence, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- to evaluate the appointment of additional or replacement directors;
- to consider job specifications and whether the candidates have the necessary skills and time available to devote to the Company, ensuring it:
 - uses open advertising or the services of external advisers to facilitate the search;
 - considers candidates from a wide range of backgrounds; and
 - considers candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position.
- to ensure that any newly appointed directors are provided with letters of appointment detailing their duties;
- to arrange for any new directors to be provided with training and induction;
- to consider and propose that existing directors be re-elected;
- to undertake an annual evaluation of the Board;
- to undertake an annual evaluation of all other board committees and determine director nominees for each committee of the Board;
- to consider the appropriate composition of its Board and each committee of the Board;
- work and liaise as necessary with all other board committees;
- to review the remuneration payable to the directors taking into the relevant circumstances of the Company; and
- to consider any other relevant matters as requested by the Board.

The Committee shall also make recommendations to the board concerning:

- formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
- suitable candidates for the Board, including the role of senior independent director, and selecting the director nominees for election at general meetings of the shareholders or for appointment to fill vacancies; and
- membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chairman of those committees.

Reporting

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

The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

The Committee will ensure that the terms of reference for the Committee are generally available upon request or on the Company's website.