

**CVC INCOME & GROWTH LIMITED  
(THE "COMPANY")**

**TERMS OF REFERENCE OF THE ENVIRONMENTAL, SOCIAL & GOVERNANCE  
("ESG") COMMITTEE**

**ADOPTED: 1 NOVEMBER 2022**

**1. PURPOSE**

The purpose of the ESG Committee is to assist the Board of Directors of the Company (the "**Board**") in:

- 1.1 Developing and reviewing the strategies, policies and performance of the Company in relation to environmental, social and governance (ESG) matters and suggesting ways to drive improvement in these areas.
- 1.2 Ensuring the Company has an appropriate ESG Strategy (the "Strategy"), which is integrated as far as is reasonably possible by the Investment Vehicle Manager (CVC Credit Partners) into the core investment strategy and process.
- 1.3 Ensuring the Strategy, where reasonably possible, continues to evolve and is aligned to the culture and values of the Company.

**2. AUTHORISATIONS**

The ESG Committee is authorised by the Board:

- 2.1 to investigate any activity within its Terms of Reference;
- 2.2 to obtain, at the Company's expense, such legal or other independent professional advice on ESG matters as it deems necessary to fulfil its responsibilities;
- 2.3 to secure the attendance of other persons at its meetings if it considers this necessary.
- 2.4 To advise, encourage and influence the Investment Vehicle Manager of the Company in relation to ESG matters.

**3. DUTIES OF THE ESG COMMITTEE**

The duties of the ESG Committee are:

- 3.1 To oversee the development of, and to make recommendations to the Board regarding the Company's ESG strategy.
- 3.2 To assess the Investment Vehicle Manager of the Company regarding the establishment of ESG policies and codes of practice and their effective implementation, and to monitor and review their ongoing relevance, effectiveness and further development.

- 3.3 Identify the relevant ESG matters that do or are likely to affect the operation of the Company and/or its investment strategy.
- 3.4 Ensure that the Company monitors and reviews current and emerging ESG trends, relevant international standards and frameworks, regulation and legislative requirements; and identify how those are likely to impact the Strategy, operations and reputation of the Company. Also, to determine whether and how these are incorporated into or reflected in the Company's ESG policies, processes and outcomes. This should include ESG best practice advised by industry bodies such as, although not exclusively, the UN PRI, the European Leveraged Finance Association (ELFA) and The Association of Investment Companies (AIC).
- 3.5 Set and agree appropriate strategic goals with the Investment Vehicle Manager (CVC Credit Partners) as well as short, medium and long term ESG KPIs and associated targets/outcomes related to ESG matters and oversee the ongoing measurement and reporting of performance against those KPIs and targets.
- 3.6 Work in collaboration with the Board, to oversee the identification and mitigation of risks, as well as the identification of opportunities related to ESG matters.
- 3.7 Make recommendations to the Board in relation to the required resourcing and funding of ESG related activity, and on behalf of the Board, oversee the deployment and control of any resources and funds.
- 3.8 Make recommendations for potential external ESG data providers to support the Investment Vehicle Manager in its integration of ESG factors into the investment decision making and process. Assess on a regular basis the performance, delivery and expertise of the ESG data providers.
- 3.9 Oversee the Company's engagement with its broader stakeholder community on ESG matters, including communications with investors, industry associations and media;
- 3.10 Ensure that the Company provides appropriate information and is transparent regarding its ESG related policies, processes and delivery of outcomes with the investment community.
- 3.11 Work and liaise as necessary with the Board and all its committees.
- 3.12 Meet regularly with the Head of ESG at CVC Credit Partners to ensure that the Company's ESG strategy and policies are aligned with those of CVC Credit Partners and CVC Capital Partners.
- 3.13 Oversee and review the charitable activities of the Company, including support to the Jersey National Park.
- 3.14 Overseeing the Company's disclosures of ESG matters in the Annual and Interim Reports and Accounts.

#### **4. DUTIES OF THE ESG COMMITTEE CHAIR**

The ESG Committee Chair shall:

- 4.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 4.2 attend the Company's annual general meeting and be prepared to answer shareholders' questions on the ESG Committee's activities.

#### **5. DUTIES OF THE COMPANY SECRETARY**

The Company Secretary (BNP Paribas) of the ESG Committee shall:

- 5.1 minute the proceedings and resolutions of all meetings of the ESG Committee, including recording the names of those present and in attendance;
- 5.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and
- 5.3 shall promptly circulate minutes of ESG Committee meetings to all members of the ESG Committee and, once agreed, to all members of the Board (if they do not currently sit on the Committee).

#### **6. COMPOSITION AND MEETINGS OF THE ESG COMMITTEE**

- 6.1 The ESG Committee shall comprise not less than three independent non-executive directors of the Company, to be selected by the Board, in consultation with the Chair of the ESG Committee.
- 6.2 The members of the ESG Committee will all be independent in character and judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, the Committee member's judgement.
- 6.3 At least one member of the ESG Committee must have competence or knowledge in Sustainability and/or ESG matters, as determined by the Board. The Committee as a whole should have competence relevant to the sector in which the Company operates.
- 6.4 Appointments to the Committee are for a period of up to three years which may be extended by two further three-year periods.
- 6.5 The Chair of the Company may be a member of the ESG Committee, but not Chair of the Committee.
- 6.6 If any member of the ESG Committee is unable to act for any reason, the Chair of the ESG Committee may appoint any other independent non-executive director of the Company to act as his/her alternate.
- 6.7 The Chair of the ESG Committee shall be appointed by the Board and shall be an independent non-executive director. In the absence of the Chair of the ESG Committee, the remaining members shall elect one of their number to chair the meeting.

- 6.8 The quorum for meetings of the ESG Committee is any two of its members.
- 6.9 No one other than an ESG Committee member is entitled to attend meetings of the ESG Committee but others may attend by invitation.
- 6.10 The external auditor may be invited to attend meetings of the ESG Committee, when appropriate.
- 6.11 Meetings of the ESG Committee are to be held at least three times a year, and ideally every quarter at appropriate times in the reporting and audit cycle and otherwise as required.
- 6.12 Any of the ESG Committee members may request a meeting of the ESG Committee if he or she considers it necessary, to be arranged by the Company Secretary.

## 7. **OTHER MATTERS**

The ESG Committee shall:

- 7.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 7.2 be provided with ESG training (as appropriate), both in the form of an induction programme for new members and on an on-going basis for all members; and
- 7.3 give due consideration to laws and regulations, the provisions of the AIC Code of Corporate Governance, the UK Corporate Governance Code and the requirements of the UK Financial Conduct Authority's UK Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable ESG regulations and legislation, as appropriate.