

Hargreave Hale AIM VCT plc
Management & Service Provider Engagement Committee
Terms of Reference

1. Committee Members

The Committee's membership currently consists of all the independent non-executive directors of the Company.

2. Membership

- The Committee shall be appointed by the Board.
- All members of the Committee shall be independent non-executive directors of the Company. Committee members must not be connected to the Manager.
- The Committee shall consist of not less than three members.
- The Chairman of the Committee shall be appointed by the Board from amongst the independent non- executive directors. In the absence of the Committee Chairman and/or an appointed deputy the remaining members present shall elect one of themselves to chair the meeting.
- Only members of the Committee have the right to attend Committee meetings, however, other directors may attend Committee meetings at the invitation of the Committee. Other individuals may be invited to attend all or part of any meeting as and when appropriate.

3. Secretarial

- The company secretary of the Company shall be the secretary of the Committee.
- The secretary will be responsible for circulating the agenda and meeting papers at least 7 days in advance of the meeting.
- The secretary will be responsible for recording the minutes at each meeting.

4. Quorum

A quorum shall be two members.

5. Frequency of meetings

Meetings shall be held at least twice a year at appropriate times and at other times as may be required.

6. Notice of meetings

Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.

7. Minutes of meetings

- The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- Draft minutes of Committee meetings shall be agreed with the Committee Chairman and then circulated to the members of the Committee, unless it would be inappropriate to do so in the opinion of the Chairman.

8. Annual General Meeting

The Committee Chairman should attend the Annual General Meeting to answer shareholder questions.

9. Duties

The Committee should carry out the duties below as appropriate:

- monitor and evaluate the performance of the Manager;
- review at least annually the continued retention of the Manager;
- review at least annually the terms of appointment of the Manager including, but not limited to, the level of remuneration and the notice period of the Manager; and
- review the performance and remuneration of the other key service providers to the Company.

10. Reporting

- The Secretary shall, once approved by the Chairman, circulate the minutes of the meetings to the Committee members and the Board in a timely fashion.
- The Committee shall annually review its terms of reference and its own effectiveness and recommend any necessary changes to the Board.
- The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall compile a report on its activities to be included in the annual report and accounts as required.

11. Other matters

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- be provided with timely training, both in the form of an induction programme for new members and on an ongoing basis for all members as required;
- give due consideration to relevant laws and regulations, the provisions of the UK Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules and any other rules, as appropriate;

- oversee any investigation of activities which are within its terms of reference.

12. Authority

The Committee is authorised by the Board to:

- seek any information it reasonably requires from any employee of the Manager in order to perform its duties;
- 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 the Manager or any third-party supplier to attend any meeting of the Committee; and
 - obtain outside legal or independent advice, at the Company's expense if it considers this necessary.