Northern 3 VCT PLC ('N3VCT')

Terms of Reference - Management Engagement Committee

1 Membership

1.1 Members of the Committee shall be appointed by the N3VCT board and shall be made up of least three members, all of whom shall be independent of N3VCT's investment manager.

1.2 As at 10 February 2022 the membership of the Committee comprises Mr Ferguson (Chairman), Mr Fleetwood, Mr Waddell and Mrs Brown.

1.3 Only members of the Committee have the right to attend Committee meetings. The Committee may ask other members of the N3VCT board, any relevant employee of N3VCT's investment manager, and external advisers to attend for all or part of any meeting, as and when appropriate.

1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended provided that the Committee member remains independent.

1.5 The N3VCT board shall appoint the Committee Chairman who shall be usually be the Chairman of the N3VCT board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

2 Secretary

2.1 The company secretary or his or her nominee shall act as the secretary of the Committee.

3 Quorum

3.1 The quorum necessary for the transaction of business shall be two. 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.

4 Frequency of Meetings

4.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

5 Notice of Meetings and resolutions in writing

5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chairman of the Committee.

5.2 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 non-executive 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.

5.3 Decisions of the Committee may be made by way of resolution in writing of its members circulated to all members of the Committee and signed by a majority of the members of the Committee.

6 Minutes of Meetings

6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed and unless required to be kept confidential vis-à-vis any member of the N3VCT

board who is connected with N3VCT's investment managers as determined by the Committee Chairman), to all other members of the N3VCT board.

7 Annual General Meeting

7.1 The Committee Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8 Duties

8.1 The Committee shall review both the performance of and the contractual arrangements with N3VCT's investment managers, including the terms of any performance incentive schemes.

9 Reporting Responsibilities

9.1 The Committee is accountable to the N3VCT board. The Committee Chairman shall report formally to the N3VCT board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the N3VCT board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 N3VCT's annual report shall include a statement on the Committee's activities.

10 Other

10.1 The Committee from time to time shall review its own performance, 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.

10.2 The Committee will review other matters as directed by the N3VCT board.

11 Authority

11.1 The Committee is authorised to seek any information it requires from any officer or employee of N3VCT's investment manager in order to perform its duties.

11.2 The Committee is authorised to obtain, at N3VCT's expense, outside legal or other professional advice on any matters within its terms of reference.

Note: The management engagement committee was established by a resolution of the N3VCT board in March 2002. These terms of reference were approved by the N3VCT board on 10 February 2022, following a review by the Committee.