Baronsmead Venture Trust plc

(the "Company")

Management Engagement and Remuneration Committee

Terms of Reference

1. Constitution

In accordance with Article 112 of the Company's Articles of Association, the Board resolved to establish a committee of the Board to be known as the Management Engagement and Remuneration Committee ("Committee").

2. Membership

2.1 The Committee shall comprise all of the independent non-executive directors. The chair of the Board may also serve on the Committee as a member if he or she was considered independent on appointment as chair. Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee and in consultation with the chair of the Management Engagement and Remuneration Committee.

2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2.3 Appointments to the Committee shall be subject to the provisions of the Companies Act 2006 and other relevant and applicable legislation, and of the Company's Articles of Association.

2.4 The Board shall appoint the Committee chair who shall be an independent non-executive director. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chair of the Board should not be chair of the Committee. In certain circumstances where this may happen due to the composition of the Board, full disclosure must be made in the Company's Annual Report and Accounts that they do not comply with the AIC Code of Corporate Governance.

3. Secretary

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

4. Quorum

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

5. Frequency of meetings

The Committee shall meet at least once a year or more often if required.

6. Notice of meetings

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue (which may include details to join any meeting via electronic means), 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 (or such shorter period of time, as requested by, or agreed to, by the chair). Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

7. Minutes of meetings

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

7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board, unless it would be inappropriate to do so.

8. Annual General Meeting

The Committee chair should attend the annual general meeting to answer shareholder questions on the Committee's activities.

9. Duties

The Committee shall:

9.1 Remuneration

9.1.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's chair and non-executive directors, pursuant to Article 10.4 of the Company's Articles of Association. The remuneration of non-executive directors shall be a matter for the Committee to consider and make recommendations to the Board. Each individual director shall not be involved in any decisions as to their own remuneration;

9.1.2 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and AIC Code of Corporate Governance and associated guidance. The objective of such policy shall be to attract, retain and motivate directors of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the company and alignment to the Company's long strategic term goals;

9.1.3 when setting remuneration policy for directors, review and have regard to the remuneration trends across the relevant Gresham House funds, and the wider investment companies' sector, including appropriate peers in the VCT industry;

9.1.4 review the ongoing appropriateness and relevance of the remuneration policy;

9.1.5 obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;

9.1.6 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

9.1.7 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

9.1.8 review the policy for authorising claims for expenses for the directors;

9.2 Management Engagement

9.2.1 reasonably satisfy itself that the management agreement is fair and that the terms remain appropriate, relevant and competitive;

9.2.2 reasonably satisfy itself that systems put in place by the investment manager in respect of the Company are adequate to meet relevant legal and regulatory requirements;

9.2.3 assess the performance of the investment manager and consider whether the continuing appointment of the investment manager on the terms of its agreement is in the interests of shareholders as a whole, and make recommendations to the Board thereon together with a statement of the reasons for its view;

9.2.4 consider the appointment or re-appointment of the investment manager and the level of fees and make recommendations to the Board thereon;

9.2.5 consider the financial and organisational resilience of the manager.

10. Reporting responsibilities

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

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

10.3 The Committee shall produce a report of the Company's remuneration, including the remuneration policy and practices, to be included in the Company's annual report and ensure each year that the remuneration report is put to shareholders for approval at the AGM. If the Committee has appointed remuneration consultants, the annual remuneration report should identify such consultants and state whether they have any other connection with the Company.

10.4 Through the chair of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

10.5 The Committee shall produce a report of the Company's management engagement activities each year to be included in the Company's annual report.

11. Other matters

The Committee shall:

11.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;

11.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;

11.3 give due consideration to laws, regulations, reporting requirements and any published guidelines or recommendations regarding the remuneration of directors of listed companies; and

11.4 arrange for periodic reviews of its own performance and, at least annually, review its 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.

12. Authority

The Committee is authorised by the Board:

12.1 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference;

12.2 to seek any information it requires from the investment manager in order to perform its duties; and

12.3 to have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

Reviewed	Comment
16 December 2024	Approved
3 September 2025	Approved, no changes proposed.
2 September 2026	Approved changes