

FORESIGHT VCT PLC

MANAGEMENT ENGAGEMENT COMMITTEE TERMS OF REFERENCE

The Board has established a Committee of the Board to be known as the Management Engagement Committee. The terms of reference of the Management Engagement Committee consider the provisions set out in the AIC Code of Corporative Governance.

Definitions

- (i) Reference to the "Board" shall mean the board of directors of the Company.
- (ii) Reference to the "Code" shall mean the AIC Code of Corporate Governance.
- (iii) Reference to the "Committee" shall mean the Management Engagement Committee.
- (iv) Reference to the "Company" shall mean Foresight VCT plc.
- (v) Unless otherwise stated, reference to "Chair" shall mean the Chair of the Committee.

1. Membership

- 1.1. The Committee shall comprise all board directors, all of whom shall be independent non-executive directors.
- 1.2. Appointments to the Committee are made by the Board.
- 1.3. The members of the Committee at 04 June 2024 are Margaret Littlejohns, Dan Sandhu, David Ford and Patricia Dimond.
- 1.4. The Chair of the Committee is David Ford.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. Quorum

- 3.1. A quorum shall be two independent members

4. Frequency of Meetings

- 4.1. Meetings shall be held at least once a year. The external auditors may request a meeting if they consider one necessary.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair or any of its members.
- 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 and any other person required to attend 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

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. Draft minutes of Committee meetings shall be circulated to all members of the committee.

7. Engagement with Shareholders

- 7.1. The Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

8. Authority

- 8.1. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek such information which is deemed necessary to fulfil its duties.
- 8.2. The Committee is entitled by the Board to obtain outside legal or other independent professional advice and to ensure the attendance of outsiders with relevant experience and expertise if it considers it necessary.

9. Duties

- 9.1. The duties of the Committee as regards management engagement shall be:
 - (i) monitoring and evaluating the Manager's investment performance and compliance with the terms of the Investment Management Agreement ("IMA"), including the performance of the VCT advisers, registrars, brokers and lawyers;
 - (ii) reviewing the terms of the IMA annually to ensure that the terms thereof conform with market and industry practice and remain in the best interests of

Shareholders, and making recommendations to the Board on any variation to the terms of the IMA which it considers necessary or desirable;

- (iii) reviewing and making the appropriate recommendations to the Board as to whether the continuing appointment of the Manager is in the best interests of the Company and Shareholders, and the reasons for this recommendation;
- (iv) reviewing the level and method of remuneration, the basis on which the performance fees (if any) are calculated and the notice period of the Manager, giving due consideration to the competitive position of the Company against peers; and
- (v) ensuring that the basis of any performance fee or performance related element does not encourage excessive risk and that it rewards demonstrably superior performance by the Manager in managing the portfolio against the Company's stated objectives when compared to a suitable benchmark or peer group; and
- (vi) seeking feedback from the Manager on an annual basis on the level of services received from key third party service providers in order to review and make the appropriate recommendations to the Board as to whether the continuing appointment of the third-party service providers is in the best interests of the Company and Shareholders, and the reasons for this recommendation.

10. Reporting Procedures

- 10.1. The Committee Chair shall report formally 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.

Dated: 28 November 2024

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