

CHICAGO ATLANTIC BDC, INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. PURPOSE

The Nominating and Corporate Governance Committee (the “*Committee*”) is a standing committee established by the Board of Directors (the “*Board*”) of Chicago Atlantic BDC, Inc. (the “*Company*”). The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities related to:

- A. Identifying individuals qualified to become members of the Board;
- B. Selecting or recommending to the Board the director nominees for each annual meeting of shareholders;
- C. Planning for the succession of the Company’s executive officers;
- D. Overseeing the evaluation of the Board, its committees and management; and
- E. Recommending to the Board the compensation to be paid to the independent directors of the Board.

II. MEMBERSHIP AND QUALIFICATIONS

Membership: The Committee shall consist of at least three (3) independent members of the Board. Members of the Committee shall be nominated by the Committee annually and as vacancies or newly created positions occur. Members of the Committee shall be appointed by the Board.

Qualifications: Each member of the Committee shall not be an “interested person” (as such term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended) of the Company, and shall be an independent director in accordance with the independence requirements of the NASDAQ Stock Market.

Chairman: Unless a Chairman is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of the full Committee membership.

Resignation, Removal and Replacement: Any member of the Committee may resign from the Committee at any time upon notice of such resignation to the Company. The Board shall have the power at any time to remove a member of the Committee with or without cause, to fill all vacancies, and to designate alternate members, upon the recommendation of the Committee, to replace any absent or disqualified members.

III. PROCEDURES

The Committee will meet at least once per year and at such additional times as may be necessary to carry out its responsibilities. The Chairman of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter. Any two (2) members, the Chairman of the Committee, or the Chairman of the Board and/or the Chief Executive Officer of the Company may call a meeting of the Committee whenever deemed necessary.

Action may be taken by the Committee upon the affirmative vote of a majority of the members present at the meeting if a quorum of Committee members, as defined in the Company's bylaws, is present (or where only two (2) members are present, by unanimous vote).

The Committee may invite any member of the Board who is not a member of the Committee, officer, employee, counsel, representative of service provider or other person to attend meetings and provide information to the Committee as appropriate.

An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board.

IV. RESPONSIBILITIES AND AUTHORITY

In carrying out its purpose, the Committee shall have direct responsibility and authority to perform the following duties:

Nominating Directors

- A. Identify individuals qualified to become Board members, consistent with criteria approved by the Board, receive nominations for such qualified individuals, select, or recommend that the Board select, the director nominees for the next annual meeting of shareholders, taking into account each candidate's ability, judgment and experience and the overall diversity and composition of the Board;
- B. Recommend to the Board candidates for election to the Board and evaluate the Board in accordance with criteria set forth below, or determined as provided below.

As part of this responsibility, the Committee shall be responsible for conducting, subject to applicable law, any and all inquiries into the background and

qualifications of any candidate for the Board and such candidate's compliance with the independence and other qualification requirements established by the Committee.

- a. General Considerations. Each director should:
 - i. Be an individual possessing high standards of character and integrity, relevant experience, a willingness to ask hard questions and the ability to work well with others;
 - ii. Be free of conflicts of interest that would violate applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
 - iii. Be willing and able to devote sufficient time to the affairs of the Company, and be diligent in fulfilling the responsibilities of a director and Board committee member; and
 - iv. Have the capacity and desire to represent the balanced, best interests of the shareholders as a whole, and not a special interest group or constituency.
- b. Specific Considerations. The Committee shall review annually the skills, experiences (such as current business experience or other such current involvement in public service, academia or scientific communities), particular areas of expertise, particular backgrounds, and other characteristics that help ensure the effectiveness of the Board and Board committees. These considerations should:
 - i. Take into account any particular needs of the Company, and may be adjusted as these Company characteristics evolve;
 - ii. Consider periodically complementary skills or other attributes, which may not be represented on the Board that would be useful to the Board as it fulfills its duties; and
 - iii. Be based on a consideration of each individual's contributions, the availability of director candidates, and the Company's needs.
- C. Monitor Board composition and recommend candidates, as necessary, to ensure that the number of independent directors serving on the Board satisfies Securities and Exchange Commission ("**SEC**") and NASDAQ Stock Market requirements;
- D. Review any candidate recommended or nominated by shareholders in light of the Committee's criteria for selection of new directors, as well as requirements under the Company's organizational documents and applicable law;

- E. Recommend to the Board qualified individuals to serve as committee members on the various Board committees. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed; and
- F. Recommend to the Board or to the appropriate committee thereof processes for annual evaluations of the performance of the Board and any executive officers of the Company. In discharging this responsibility, the Committee shall solicit comments from all directors and report annually to the Board on the results of the evaluation.

Board of Directors

- A. Clearly articulate to each director what is expected of their tenure on the Board, including directors' basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;
- B. Develop and at least annually evaluate orientation guidelines and continuing education guidelines for each member of the Board and each member of each committee thereof regarding his or her responsibilities as a director generally and as a member of any applicable committee of the Board; and
- C. Review the Company's practices and policies with respect to directors, including the size of the Board, the meeting frequency of the Board, the structure of Board meetings and the responsibilities of the Board and its committees and make recommendations to the Board with respect thereto.

Succession Planning for Chief Executive Officer and Other Executive Officers

- A. Oversee the maintenance and presentation to the Board of management's plans for succession to senior management positions in the Company.

Corporate Governance

- A. Oversee an annual review of the performance of the full Board and report the results thereof to the full Board;
- B. Monitor and make recommendations to the Board on matters of Company policies and practices relating to corporate governance;
- C. Annually evaluate the Company's Code of Business Conduct and Ethics and, if appropriate, recommend changes to that code;
- D. In concert with the Board, review the Company policies with respect to significant issues of corporate public responsibility, including political contributions;

- E. Consider and report to the Board any questions of possible conflicts of interest of Board members; and
- F. Review shareholder proposals regarding corporate governance and make recommendations to the Board.

Compensation to be Paid to Independent Directors of the Board

- A. At least annually, review and assess the compensation paid to the independent directors of the Board, and make recommendations to the Board with respect to any recommended changes.

Other

- A. At least annually, review and reassess the adequacy of the charters, structures and operations of this Nominating and Governance Committee and the other existing Board committees, including policies for removal of members and rotation of members among other Board committees, and submit any changes to the Board for approval;
- B. Have the sole authority to retain and terminate a search firm to assist in the identification of director candidates, and have the authority to approve the search firm's fees and other retention terms;
- C. Have the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties, and to determine compensation for such advisors; and
- D. Carry out such other duties that may be delegated to the Committee by the Board from time to time.

In discharging its duties hereunder, the Committee shall have full access to any relevant records of the Company and shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee, and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may delegate any of its responsibilities to a subcommittee comprised of one (1) or more members of the Committee.

V. DISCLOSURE OF CHARTER

This charter will be made available on the Company's website.

VI. EVALUATION

The Committee shall evaluate its performance on an annual basis and recommend changes to the Board as needed.