

CHICAGO ATLANTIC BDC, INC.

COMPENSATION COMMITTEE CHARTER

I. PURPOSE

The Compensation 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:

- recommend to the Board the approval of the compensation of the Chief Compliance Officer; and
- review and approve the reimbursement, if any, by the Company of the allocable portion of the compensation of the Chief Financial Officer and Chief Compliance Officer.

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 Nominating and Corporate Governance 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 (the “1940 Act”)) of the Company, and shall be an independent director in accordance with the independence requirements of the NASDAQ Stock Market. In addition, in affirmatively determining the independence of a director who will serve as a member of the Committee, the Board shall consider all factors specifically relevant to determining whether such director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a member of the Committee, including, but not limited to: (a) the sources of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company, or any subsidiary thereof, to such director; and (b) whether such director is affiliated with the Company, any subsidiary thereof or any affiliate of such subsidiary.

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 Nominating and Corporate Governance 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, provided that no executive officer may be present during the Committee's voting or deliberations on his or her compensation.

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 addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters:

Executive Compensation

- The Committee shall be responsible for recommending to the Board the approval of the compensation of the Chief Compliance Officer in accordance with the requirements of Rule 38a-1 under the 1940 Act.
- Currently, none of the Company's executive officers is directly compensated by the Company. However, the Company reimburses its administrator for the allocable portion of overhead and other expenses incurred by the administrator in performing its obligations under an administration agreement, including an allocable share of the compensation of the Company's Chief Financial Officer and Chief Compliance Officer. In light of the foregoing, the Committee shall be responsible for reviewing and approving the reimbursement by the Company of the allocable portion of the compensation of the Company's Chief Financial Officer and Chief Compliance Officer.

Reporting to the Board

- The Committee shall report to the Board periodically. This report shall include a review of the activities and recommendations of the Committee and any other matters that the Committee deems appropriate or is requested to be included by the Board.
- The Committee shall review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the Board or the Nominating and Corporate Governance Committee.

The Committee shall have the right to use reasonable amounts of time of the Company's independent accountants, outside lawyers and other internal staff and may, in its sole discretion, hire experts, lawyers, compensation consultants and other advisors (each, a "**Consultant**") to assist and advise the Committee in connection with its responsibilities. The Committee shall be directly responsible for the appointment, compensation (at the Company's expense) and oversight of any work of such Consultants and shall keep the Company's Chief Financial Officer and the Board advised as to the general range of anticipated expenses in connection therewith. When selecting a Consultant, other than in-house legal counsel, the Committee shall first consider factors relevant to that person's independence from the Company, such as:

- the provision of other services to the Company by the Consultant or person that employs the Consultant;
- the amount of fees received from the Company by the Consultant or person that employs the Consultant, as a percentage of the total revenue of the Consultant or person that employs the Consultant;
- the policies and procedures of the Consultant or person that employs the Consultant that are designed to prevent conflicts of interest;
- any business or personal relationship of the Consultant with a member of the Committee;
- any stock of the Company owned by the Consultant; and
- any business or personal relationship of the Consultant or person that employs the Consultant with an executive officer of the Company.

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.