

MATRIX INCOME & GROWTH 2 VCT PLC

("the Company")

Terms of Reference

Nominations Committee

(As approved by the Board on 10 September 2008)

1. Constitution

The Board of Directors of the Company ("the Board") hereby confirms the establishment of a committee of the Board to be known as the Nominations Committee ("the Committee").

2. Membership

2.1 The Committee shall be appointed by the Board and shall comprise of two non-executive directors. A quorum shall be two members.

2.2 The Committee shall have the power to co-opt such other non-executive directors of the Board as it may from time to time determine.

2.3 The secretary of the Committee shall be the Company Secretary.

3. Quorum

Any two members of the Committee shall form a quorum.

4. Frequency of Meetings

Meetings shall be held at least once a year.

5. Authority

5.1 The Committee is hereby authorised by the Board to fulfil its duties as set out in clause 6.

5.2 The Committee is hereby authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek such information from such persons as it deems necessary to fulfil its duties.

5.3 The Committee is authorised by the Board to obtain outside legal or other professional advice and to procure the attendance of outsiders at meetings as it considers necessary.

6. Duties

6.1 The duties of the Committee to the Board shall be to make recommendations to the Board concerning:

6.1.1 new appointments of non-executive directors to the Board and the preparing of a detailed job specification for each appointment;

6.1.2 the letter of appointment should set out the expected time commitment of the non-executive directors;

- 6.1.3 appointing a Chair and the preparing of a detailed job specification for that appointment;
- 6.1.4 Board composition planning, with reference to the number on the Board and balance of the Board in terms of age and range of skills of the Board members;
- 6.1.5 periodic review of the constitution of the Board; and conduct an annual performance evaluation of the Board including the Chairman;
- 6.1.6 the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of association;
- 6.1.7 the continuation or otherwise in service of any director who has reached the age of 70;
- 6.1.8 nomination of directors to Board committees; and
- 6.1.9 to advise the Board on issues or potential issues arising where a conflict of interest could be foreseen as a result of the outside business activities of Board members, taking particular care when other non-executive directors are advising or supporting the Committee.
- 6.1.10 to review regularly conflict authorisations approved by the Board and implement and monitor a procedure for ensuring that an annual review of each director's conflict authorisations is undertaken as part of their annual performance review (see 6.1.5) above).

7 Availability of terms of reference and reporting to members

- 7.1 The Committee shall make the terms of reference available for inspection at the request of an individual.
- 7.2 A section in the Annual Report should describe the work of the Committee which should explain the process used to appoint members of the Board; this should include an explanation if neither an external consultancy nor open advertising has been used to appoint the chair or the Board.

Notes

- 1. **If at any time the Chairman of the Company becomes the Chairman of the Nominations Committee, the Chairman of the Company shall not chair the meeting if it is for the purpose of appointing a successor to the Chairman of the Board.**
- 2. **On appointing a Chair the significant commitments should be disclosed to the Board before appointment and put in the Annual Report.**
- 3. **The non-executive directors other significant commitments should be disclosed to the Board before appointment with an indication of time involved and the Board should be advised if the time commitments change.**