

As approved by the Board on 29 July 2008

MATRIX INCOME & GROWTH VCT PLC

NOMINATIONS AND REMUNERATION COMMITTEE

Terms of Reference

1. Constitution

The Board has resolved to establish a committee of the Board to be known as the Nominations and Remuneration Committee.

2. Membership

The Committee shall be appointed by the Board and shall comprise at least two independent non-executive directors so that the majority of the Committee comprises independent non-executive directors.

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.

3. Quorum

A quorum shall be two members.

4. Chairman

The Chairman of the Committee shall be appointed by the Board and should either be the Chairman of the Board or an independent non-executive director provided that the Chairman of the Board shall not chair the meeting when it is dealing with the appointment of a successor to the Chairman of the Board.

5. Attendance of Meetings

Other Board members shall have the right of attendance at meetings of the Committee.

6. Secretary

The Company Secretary shall be the Secretary of the Committee.

7. Frequency of Meetings

Meetings shall be held at least once a year and at such other times as the Chairman may require. The external auditors may request a meeting if they consider one necessary.

8. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any service provider and all service providers and advisers are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

9. Duties

The Committee shall:

Remuneration

- (a) Review and make recommendations to the Board concerning the levels and make-up of remuneration which are sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- (b) Review and make recommendations to the Board concerning the development of a procedure for fixing remuneration packages to ensure that no Director is involved in deciding his or her own remuneration.
- (c) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- (d) Obtain reliable, up-to-date information about remuneration in other companies in the VCT sector.

Nominations

- (e) Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- (f) Give full consideration to succession planning for directors taking into account the skills and expertise that will be needed on the Board in the future.
- (g) Keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.
- (h) Before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.

- (i) Be responsible for identifying and nominating for the approval of the Board, candidates to fill vacancies for the chairman and non-executive directors, as they arise, and preparation of job specifications for each appointment, as appropriate.
- (j) Make recommendations to the Board concerning the appointment of committee chairmen and members and the role of senior independent director.
- (k) Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment clearly setting out what is expected of them in terms of time commitment, committee service and involvement outside of board and committee meetings.
- (l) Ensure that an appropriate induction programme is available to all newly appointed directors.
- (m) Make recommendations to the Board concerning the re-election by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Articles of Association.
- (n) Make recommendations to the Board on the process and procedure by which the Board undertakes a formal and rigorous annual review of its performance and the performance of its committees and individual directors.
- (o) Consider 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. Regularly review 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 (n) above).

Reporting Procedures

- The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.
- The Committee Chairman shall report formally to Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- The Committee shall make a statement in the Annual Report about its activities, including a statement of remuneration policy and details of the remuneration of each director; the process used to make appointments; and where external recruitment consultants are appointed, a statement on whether they have any other connection with the Company.

Performance Review

The Committee shall at least annually, review its own performance, constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.

Shareholder Meetings

The Committee Chairman shall attend all general meetings of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

Publication of these terms of reference

Copies of these terms of reference shall be made available to shareholders on request and published on the Company's website.