

## MOBEUS INCOME & GROWTH 2 VCT PLC

### NOMINATION 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 comprise all Board members. The Chairman of the Committee shall be appointed by the Board.

#### 3. Quorum

Any two members of the Committee shall form a quorum.

#### 4. Secretary

The Company Secretary shall be the secretary of the Committee.

#### 5. Frequency of Meetings

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

#### 6. Authority

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 their duties.

The Committee is authorised by the Board to obtain outside legal advice and to ensure the attendance of outsiders with relevant experience and expertise if it considers it necessary.

#### 7. Duties

It shall be the responsibility of the Committee to consider and advise the Board on all matters relating to the appointment and remuneration of directors of the Company.

The Committee shall give due consideration to the Company's obligations under the UK Code of Corporate Governance and the AIC Code of Corporate Governance as they apply from time to time, when carrying out the following duties:

##### **a. Leadership & Responsibility**

- i. To advise and make recommendations to the Board on the appointment of its Chairman and Board members, as well as any appointments to the committees of the Board;
- ii. To ensure that the division of responsibilities between directors is both effective and clear for each role on the Board and its committees so as to promote their successful function in directing the Company to achieve its goals over the short and long term;
- iii. To ensure that all directors maintain the ability to carry out their duties effectively for the entirety of their appointed term. The Committee shall ensure that associated time commitments are communicated when recruiting new Board members, principally through the provision of a detailed job description and comprehensive letter of appointment, as well as through assessment of any current and future external appointments that the applicant may hold.

**b. Remuneration**

- i. To consider 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, reflecting the time commitment and responsibilities of each role;
- ii. to consider the appropriateness of performance related to pay, long-term incentive schemes and compensation payments to directors from the Company;
- iii. to develop a procedure for fixing remuneration packages, ensuring that no director is involved in deciding his or her own remuneration; and
- iv. to appoint remuneration consultants if required, making available a statement of whether the consultant has any connection with the Company.

**c. Independence**

- i. To ensure that the process of appointment of directors is subject to a formal, rigorous and transparent procedure based on merit, suitability for the given role and alignment to the Company's strategic direction;
- ii. to give due consideration to directors' length of service so as to ensure the Board's effectiveness in executing its responsibilities in a manner that is guided by both sufficient expertise and independent judgement;
- iii. to predict and identify any potential skills gaps in formulating and maintaining an appropriate succession plan that will sustain the Board's effectiveness in delivering the Company strategy over the long term;
- iv. to advise the Board on issues or potential issues where a conflict of interest could be foreseen as a result of the external business interests of Board members. To 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.

**d. Diversity**

- v. To ensure that Board membership comprises an appropriate balance in terms of age and range of skills and perspectives required to enact the Company's strategy and consider issues in a rounded manner; and
- vi. to ensure that the process of appointment of directors provides effective facility to support of the Board's policies with regards to achieving and maintaining appropriate diversity.

**8. Annual Review**

The Committee shall conduct an annual performance review of all directors that seeks to evaluate each director's continued suitability for the role on the basis of each of the areas cited by paragraph 7 above.

**9. Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any questions on the Committee's activities.

**10. Reporting Procedures**

The Secretary shall circulate the minutes of the meeting of the committee to the members of the Board.

The Company's annual report shall contain a statement of remuneration policy and details of the remuneration of each director.

**11. Publication of these terms of reference**

Copies of these terms of reference shall be made available on request and published on any website that may be established by the Company.