

**Matrix Income & Growth VCT plc
Gossard House
7-8 Savile Row
London W1S 3PE**

Ms Bridget Elisabeth Cleverly
16 Henning Street
London
SW11 3DR

1 July 2004

Dear Bridget,

I write to confirm the terms on which you have been appointed as a Non-Executive Director of Matrix Income & Growth VCT plc (the "**Company**") as from the date hereof:

1. **Definitions**

Any reference in this letter to:

- | | |
|------------------------------------|--|
| the "Articles" | means the articles of association from time to time of the Company; |
| the "Board" | means the board of directors from time to time of the Company; |
| the "Companies Act" | means the Companies Act 1985 (as amended) (including any orders or regulations made thereunder); |
| the "Group" | means the Company and any subsidiary or subsidiary undertaking (both as defined in the Companies Act 1985); |
| the "London Stock Exchange" | means London Stock Exchange plc; and |
| "UK Listing Authority" | means the Financial Services Authority acting as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000; |

2. **Term of Appointment**

2.1 Your continuance in office as a Non- Executive Director is subject to the following:

- (a) your re-election as a director at the next following annual general meeting ("AGM") of the Company;
- (b) your re-election on retirement by rotation at any subsequent AGM in accordance with the Articles;
- (c) all other provisions of the Articles; and
- (d) the terms of this letter.

2.2 Subject to paragraph 2.1 above, your appointment will continue unless terminated by either you or the Company giving the other not less than 3 months' written notice of termination.

2.3 In the event that you are disqualified from acting as a director for any reason (whether under the Companies Act or any other legislation or under the provisions of the Articles), your appointment will terminate immediately.

3. **Powers and Duties**

3.1 As a non-executive director you will be expected to exercise the general fiduciary duties and duties of care and confidentiality expected of every director, but in particular your role will be to suggest, advise on and monitor matters relating to:

- (a) the general investment strategy of the Group;
- (b) the performance of the Group;
- (c) specific investment proposals prepared by the Group's investment manager; and
- (d) to bring your independent judgment to bear on all matters.

3.2 You will also be responsible for undertaking, in conjunction with the Company Secretary, the day to day running of the Company, insofar as the involvement of a director is required.

3.3 You will be expected to attend at all Board meetings and general meetings and also to participate in the meetings of any committees of the Board on which you may be elected to act including, in particular,

the investment committee. You are expected to consider Board papers in advance of each meeting so as to play a full part in the work of the Board and to this end the Company Secretary liaising with the Manager will seek to provide you with board papers (containing investment portfolio reports) at least 5 working days in advance of each meeting of the Board. It is intended that Board meetings will be held on a quarterly basis and committee meetings when required.

- 3.4 While you hold office in the Company you will be entitled to hold directorships in other venture capital trusts, subject only to first disclosing the same to the Board and the investment manager and obtaining their prior agreement, which will not be unreasonably withheld.
- 3.5 In addition, you will observe the terms and conditions of the City Code on Takeovers and Mergers and the regulations of the London Stock Exchange and the UK Listing Authority as the same are applicable to the Company and its directors.
- 3.6 It shall, whilst any part of the share capital of the Company shall be quoted on any recognised investment exchange, be a fundamental term of your appointment that you shall comply at all times with all applicable rules and regulations of the relevant exchange (including the Model Code on Directors' Dealings in Securities as set out in the Appendix to Chapter 16 of the Listing Rules of the UK Listing Authority) and any code of conduct of the Company for the time being in force in relation to dealings in shares, debentures or other securities of the Company and any unpublished price sensitive information affecting the securities of any other company.
- 3.7 During your appointment you shall devote sufficient time to the business of the Company as is reasonably required to carry out your functions as a Non-Executive Director. If, in the performance of your duties hereunder or in the proper performance of your duties as a Non-Executive Director of the Company, you devote more than fifteen (15) half days or ten (10) half days and ten (10) quarter days, in aggregate, in any contractual year of this appointment, then you shall be entitled to be paid such additional fees as may be agreed by the other members of the Board at such time.

4. Fees

- 4.1 You will be paid for your services during the term of appointment a director's fee of £15,000 per annum rising to £17,500 per annum if you chair either of the Board's audit or investment committees the latter payment being subject to the Offer (as described in a prospectus to be issued by the Company) exceeding £15 million. Your fee will be payable in equal quarterly instalments in arrears commencing on 1

October 2004 and the level of remuneration will be reviewed on an annual basis and any increase will be agreed by the Board.

- 4.2 Your appointment as a non-executive director is not pensionable and does not entitle you to participate in any share option schemes of the Company or any other of its employee benefits.

5. **Expenses**

You will be entitled to be reimbursed reasonable travelling expenses for attendance at Board meetings. You should not expect to be reimbursed for any other expenses, in relation to the performance of your duties, without having obtained prior clearance from the Board (such clearance not to be unreasonably withheld or delayed). Notwithstanding the above, you will be able to seek without the Board's prior consent, independent legal or professional advice in furtherance to your duties and responsibilities as a Non-Executive Director where you consider it reasonably necessary to perform those duties properly and you will be reimbursed the reasonable costs of doing so [up to a limit of £ per Director].

7,500 £c .

6. **Confidential Information**

- 6.1 You shall not, either during the term of your appointment as a non-executive director or thereafter:

- (a) use to the detriment or prejudice of the Group or divulge or communicate to any person any trade secret or any other confidential information concerning the business or affairs of the Company or the Group (except to employees or directors of the Group whose province it is to know the same) which may have come to your knowledge during the term of your appointment hereunder; or
- (b) use for your own purpose or for any other purposes other than those of the Group any information or knowledge of a confidential nature which you may from time to time acquire in relation to any member of the Group but so that this restriction shall cease to apply to any information or knowledge which may come into the public domain (otherwise than through your default).

- 6.2 On termination of your appointment, or when requested by the Company, for whatever reason, you will promptly return to the Company all documents, papers and property which either have been prepared by you or have come into your possession as a non-executive director of the Company and which relate to the Group and/or any of its business or affairs. You shall not be entitled to and shall not retain

any copies thereof. Title and copyright in any such documents, papers or property shall vest in the Company.

7. **Directors' and Officers' Insurance**

You will be entitled to the indemnification afforded to directors by the Articles, and you will also be covered by and required to participate in any "Directors' and Officers' Liability Insurance" maintained by the Company.

8. **General**

You hereby confirm you are aware that, as a non-executive director, you have no authority to commit the Company in any way without the express prior written authorisation of the Board.

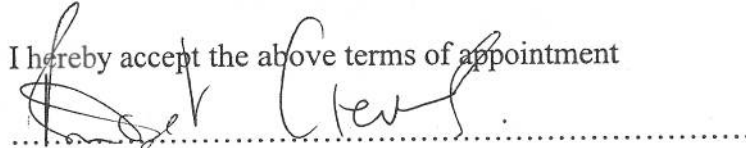
Please sign and return the duplicate of this letter by way of acceptance of its terms.

Yours sincerely



Director
Matrix Income & Growth VCT plc

I hereby accept the above terms of appointment



Bridget Elisabeth Cleverly