

Northern Venture Trust PLC

Northern 2 VCT PLC

Northern 3 VCT PLC

Securities Note (including application form)

Offers for subscription in 2013/14 and 2014/15 tax years



Best Information to
Shareholders Awards 2013
Best VCT Report & Accounts

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Key Offer information

Maximum amount to be raised under the Offers	£50,000,000
Minimum investment (across all three Companies)	£6,000
Maximum investment on which tax reliefs are available (per tax year)	£200,000
Offers open	31 July 2013
Offers close* - 2013/14 tax year	3.00pm on 4 April 2014
- 2014/15 tax year	3.00pm on 30 April 2014

* unless fully subscribed earlier or extended (but to no later than 30 July 2014)

Special Terms

Applications from existing shareholders in the Northern VCTs

Accepted valid applications from existing shareholders (including spouses) in the Northern VCTs, at the date of this document, which are received by certain dates, will benefit from the offer costs (as a percentage of the amount subscribed) being reduced by the amounts set out below:

Applications received	Reduction in offer costs
by 30 September 2013	1.5%
1 October 2013 – 7 February 2014	1.0%
on or after 8 February 2014	nil

Applications from all other Investors

Accepted valid applications from Investors who are not existing shareholders in the Northern VCTs (and whose spouses are not shareholders in the Northern VCTs), which are received by 22 November 2013, will benefit from the offer costs being reduced by 1% of the amount subscribed under the Offers.

These reduced offer costs will be met by Downing through an equivalent reduction in its Promoter's Fee.

This document, the Registration Document and the Summary, which together comprise the Prospectus relating to the Companies, have been prepared in accordance with the Prospectus Rules made under Section 73A and in accordance with Section 84 of the Financial Services and Markets Act 2000 and have been approved by and filed with the Financial Conduct Authority.

Applications will be made to the UK Listing Authority for all the Offer Shares, issued and to be issued, in the capital of the Companies to be admitted to the premium segment of the Official List. Applications will also be made to the London Stock Exchange for all the Offer Shares to be admitted to trading on its main market for listed securities. It is expected that Admission of the first allotment of the Offer Shares will become effective, and that dealings in these Shares will commence, by 15 October 2013 and within 20 Business Days of allotment for subsequent allotments thereafter. The Existing Shares are admitted to the premium segment of the Official List and are traded on the London Stock Exchange's main market for listed securities.

The Companies and their Directors, whose names appear in the Registration Document, each accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Companies and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Companies and the Directors consent to the use of the Prospectus and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offers. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.

Howard Kennedy Corporate Services LLP is acting as sponsor and Downing LLP is acting as promoter of the Companies in connection with the Offers, and neither of them is advising any other person or treating any other person as a customer or client in relation to the Offers or (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) will be responsible to any such person for providing the protections afforded to their respective customers or clients, or for providing advice in connection with the Offers.

Northern Venture Trust PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 3090163)

Northern 2 VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 3695071)

Northern 3 VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 4280530)

Offers for Subscription of

**up to £15 million (being approximately 17,150,697 Offer Shares of 25p each) in Northern Venture Trust
up to £15 million (being approximately 17,589,118 Offer Shares of 5p each) in Northern 2 VCT and
up to £20 million (being approximately 18,866,144 Offer Shares of 5p each) in Northern 3 VCT**

The share capital immediately following the Offers, assuming full subscription and based on the Initial Offer Prices, will be:

	Issued and to be issued fully paid	
	No. of Shares	Nominal value
Northern Venture Trust - Ordinary Shares of 25p each (ISIN: GB0006450703)	93,023,929	£23,255,982.25
Northern 2 VCT - Ordinary Shares of 5p each (ISIN: GB0005356430)	92,533,197	£4,626,659.85
Northern 3 VCT - Ordinary Shares of 5p each (ISIN: GB0031152027)	67,154,705	£3,357,735.25

The Offers will open on 31 July 2013 and may close at any time thereafter but, in any event, no later than 3.00pm on 4 April 2014 for the 2013/14 tax year and 3.00pm on 30 April 2014 for the 2014/15 tax year, unless previously extended by the Directors (but to no later than 30 July 2014). The terms and conditions of application are set out on pages 24 and 25 of this document and are followed by an Application Form for use in connection with the Offers. There is no minimum subscription for the Offers to proceed. The Offers are not underwritten.

Your attention is drawn to the risk factors set out on page 1 of this document. An investment in the Companies is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise. If you are in any doubt as to the action you should take, you should consult an independent financial intermediary authorised under the Financial Services and Markets Act 2000.

Risk factors

Your capital is at risk if you invest in the Companies and you may lose some or all of your investment.

The Companies' businesses, financial conditions or results could be materially and adversely affected by any of the risks described below. In such cases, the market price of the Offer Shares may decline because of any of these risks and Investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Companies. The Directors consider the following to be all the material known risks for potential Investors in the Companies, but the risks listed do not necessarily comprise all those associated with an investment in the Companies:

- The value of Offer Shares and the income derived from them is dependent on the performance of the Companies' underlying investments and may go down as well as up and Shareholders may not receive back the full amount invested.
- Investors should note that the target minimum annual dividends are objectives and are not guaranteed.
- Shareholders should be aware that the sale of Offer Shares within five years of their subscription will require the repayment of some or all of the 30% income tax relief obtained upon investment. Accordingly, an investment in the Companies is not suitable as a short or medium term investment.
- There is no guarantee that the Companies' objectives will be met or that suitable investment opportunities will be identified.
- The majority of the Companies' investments will be in small companies whose securities are not publicly traded or freely marketable and may, therefore, be difficult to realise. Such businesses may well be in high risk sectors and would, therefore, be exposed to greater risks than established businesses. In addition, such companies generally have a higher risk profile than larger companies and may also have limited trading records.
- Although the Offer Shares will be Listed, it is unlikely that a liquid market in the Offer Shares will develop as the initial income tax relief is only available to those subscribing for new shares and there may never be two competitive market makers. It may, therefore, prove difficult for Shareholders to sell their Offer Shares. In addition, there is no guarantee that the market price of the Offer Shares will fully reflect their underlying NAV or the ability to buy and sell at that price. It should be noted that shares held in a VCT usually trade at a discount to the VCT's NAV.
- The past performance of investments made by the Companies or other funds managed by NVM should not be regarded as an indication of the future performance of investments made by the Companies.
- Although it is intended that each of the Companies will be managed so as to continue qualifying as a VCT, there is no guarantee that such status will be maintained. Failure to do so could result in adverse tax consequences for Investors, including being required to repay up to the full 30% income tax relief.
- The Companies' ability to obtain maximum value from their investments (for example, through their sale) may be limited by the requirements of the relevant VCT legislation in order to maintain the VCT status of the Companies (such as the obligation to have at least 70% by value of their investments in Qualifying Investments).
- The levels and bases of reliefs from taxation may change and could apply retrospectively. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of Investors. The Companies' objectives have been set on the basis that all Investors obtain 30% income tax relief on their subscriptions. Therefore, this investment may not be suitable for Investors who do not qualify for the full 30% income tax relief.
- Changes in legislation in respect of VCTs in general, and Qualifying Investments and qualifying trades in particular, may restrict or adversely affect the ability of the Companies to meet their objectives and/or reduce the level of returns which would otherwise have been achievable.
- The Companies' ability to make market purchases of their own Shares may be limited by the liquidity of the relevant Company, the rules of the UK Listing Authority, the Act and the VCT Regulations.
- The Offer Shares are being issued at a price, calculated by a formula, based on the latest published NAV of each of the Companies. The most recent published unaudited NAVs of the Companies were at 30 June 2013. Investors should be aware that if revised NAVs are published during the course of the Offers, Investors may receive a different allocation of Offer Shares from that anticipated.

Forward-looking statements

Potential Investors should not place undue reliance on forward-looking statements. This Securities Note includes statements that are (or may be deemed to be) "forward-looking statements", which can be identified by the use of forward-looking terminology including terms such as "believes", "continues", "expects", "intends", "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Securities Note, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. These statements will be updated as and when required by the Prospectus Rules, the Listing Rules and the DTRs, as appropriate.

Potential Investors should consult their professional intermediaries before making any investment decision.

Letter from the Chairmen

Northern Venture Trust PLC
Northern 2 VCT PLC
Northern 3 VCT PLC

Northumberland House
Princess Square
Newcastle upon Tyne NE1 8ER
Telephone: 0191 244 6000
Email: vct@nvm.co.uk

31 July 2013

Dear Investor

The Boards of the three Northern VCTs have decided to raise a combined total of up to £50 million, to provide additional funds for investment in smaller UK companies with high growth potential. Investors will gain an immediate exposure to mature and diverse portfolios of private equity investments. Each of the Companies will issue new ordinary shares at a price based on their respective latest published Net Asset Value, adjusted to reflect the costs of the Offers. Investors have the option to invest in any one or a combination of the Companies. The key points of the Offers are set out below.

8.8% per annum tax-free dividend yield: based on each Company's stated dividend policy, the Initial Offer Price net of 30% income tax relief, and assuming equal amounts are invested in each of the three Companies.

Award-winning performance: the Northern VCTs jointly won the "VCT of the Year" category at the *Investment Week* Investment Company of the Year Awards 2012. They are all ranked in the top 10 out of 40 generalist (including planned exit) VCTs based on Total Return over the five years to 30 June 2013 (*source: Association of Investment Companies*).

VCT tax relief: under the VCT Rules, 30% income tax relief will be available on the value of the Offer Shares subscribed for, providing that they are held for at least five years, and dividends and gains from VCTs are tax-free.

Common diversified portfolios: the three Northern VCTs have a policy of co-investing and as at 30 June 2013 over 85% of the qualifying investment portfolios were commonly held in 33 investments across a range of different industry sectors. Investors will acquire an immediate exposure to these holdings, which should diversify risk and provide the potential for earlier growth than some newly launched VCTs.

Experienced Manager: the Manager has been investing in unlisted growing UK companies for over 28 years, was one of the first three managers to enter the VCT market in 1995 and has £240 million under management. The Manager believes that investment prospects and deal flow are currently strong. In particular, the Manager is benefitting from additional investment opportunities because of the reluctance of banks to lend to small companies.

Share buyback policy: each of the Companies has a policy of buying back its Shares in the market at a discount of 10% to the latest published Net Asset Value, subject to liquidity, applicable rules and regulations and market conditions.

Next steps: in order to invest, please read the Prospectus and complete the Application Form, which is set out at the end of this document. If Investors have any questions regarding this investment they should contact their own Intermediary. Investors' attention is drawn to the risk factors set out on page 1 of this document. For questions relating to an application, please telephone NVM on 0191 244 6000 (no personal investment advice can be given by NVM). Investors should note that their capital is at risk if they invest in the Companies and they may lose some or all of their investment.

Yours sincerely



John Hustler
Chairman, Northern Venture Trust PLC



David Gravells
Chairman, Northern 2 VCT PLC



James Ferguson
Chairman, Northern 3 VCT PLC

Part I – The Companies

Introduction

VCTs were introduced in 1995 to encourage individuals to invest indirectly in a range of small higher risk UK trading companies. VCTs are investment companies whose shares are listed on the Official List and traded on the London Stock Exchange. To date, over £4.6 billion has been raised by more than 100 VCTs (*source: HM Revenue & Customs*).

VCTs were created so that their investors can benefit from a spread of Qualifying Investments under the supervision of professional managers, who can in many cases contribute valuable experience, contacts and advice to the businesses in which VCTs invest. For the tax benefits to be available, VCTs are required to be approved by HM Revenue & Customs for the purposes of the VCT legislation. VCTs are entitled to exemption from corporation tax on any gains arising on the disposal of their investments and such gains may be distributed tax-free to investors. Dividends and capital distributions from VCTs are tax-free, subject to a maximum investment of £200,000 per individual per tax year.

New Shareholders who subscribe for the Offer Shares will have the benefit of having exposure to the Companies' existing investments. As at 30 June 2013, the Companies' combined venture capital portfolios comprised 48 investments with an unaudited carrying value of £122 million.

Reasons for the Offers

In deciding to launch the Offers, the Directors of the Companies have taken the following factors into account:

- The UK economic cycle is reaching a point where the environment for making new venture capital investments may be more favourable over the next two to three years than has been the case since the financial crisis of 2007/08.
- The perceived reluctance of the UK clearing banks to lend to small and medium-sized enterprises should help to sustain demand for investments of the type made by the Companies.
- Recent changes in the VCT legislation relating to the size of qualifying investments mean that the Companies can jointly invest up to £5 million in any one investee company in a 12 month period, creating scope for each of the Companies to invest in excess of the previous qualifying limit of £1 million per VCT.
- The additional funds raised will allow the Companies to mitigate investment risk by holding more diversified portfolios of unquoted and AIM-quoted investments, and will enhance the Companies' flexibility when determining future policy as to dividend payments, tender offers and share buy-backs.
- The Companies are currently experiencing a high level of new investment activity and have completed three new qualifying investments totalling over £10 million during June and July 2013.
- An increase in the size of each of the Companies will enable the fixed element of each of the Companies' running costs to be spread over a wider capital base.

Objectives of the Companies

The Companies are managed by NVM Private Equity. They invest mainly in unquoted UK companies and aim to provide high long-term tax-free returns to Shareholders through a combination of dividend yield and capital growth.

Income

The Boards of each Company have a stated objective of paying annual dividends as shown in the table below subject to the availability of sufficient distributable profits, cash resources and applicable laws and regulations. The table also illustrates the returns to Shareholders on Offer Shares assuming each Company achieves its target dividend. The average tax-free yield is 8.8%, assuming equal amounts are invested in each of the three Companies. **Investors should note that the target minimum annual dividends are objectives and are not guaranteed. No forecast is intended or implied.**

Illustrative yield per Offer Share (after 30% income tax relief)					
Company	Initial Offer Price after 30% tax relief ¹	Target minimum annual dividends	Tax-free yield	Gross equivalent yield	
				40% taxpayer ²	45% taxpayer ²
Northern Venture Trust	61.22p	6.0p	9.80% p.a.	13.07% p.a.	14.11% p.a.
Northern 2 VCT	59.70p	5.5p	9.21% p.a.	12.28% p.a.	13.26% p.a.
Northern 3 VCT	74.21p	5.5p	7.41% p.a.	9.88% p.a.	10.67% p.a.

¹ The returns listed are based on an Initial Offer Price of 87.46p for Northern Venture Trust, 85.28p for Northern 2 VCT and 106.01p for Northern 3 VCT, multiplied by 70%, to reflect initial income tax relief of 30%. Investors should note that they will be required to pay the full Offer Price and claim the income tax relief separately.

² The gross equivalent yield is the yield on a non-VCT UK dividend that would result in a net yield of 9.80% for Northern Venture Trust, 9.21% for Northern 2 VCT and 7.41% for Northern 3 VCT (being a 6.0p dividend divided by 61.22p for Northern Venture Trust, a 5.5p dividend divided by 59.70p for Northern 2 VCT and a 5.5p dividend divided by 74.21p for Northern 3 VCT, in all cases assuming the Initial Offer Price less 30% to reflect the initial income tax relief), on the basis of a 40% taxpayer and 45% taxpayer respectively.

Investors will be eligible for the next half yearly dividend payments from the Companies after their Shares have been allotted. The Companies intend to pay dividends bi-annually, usually in June and December in respect of Northern Venture Trust and January and July in respect of Northern 2 VCT and Northern 3 VCT.

Taxation benefits to Investors (see Part III for further details)

The principal UK tax reliefs, which are available on a maximum investment of £200,000 per individual in each of the 2013/14 and 2014/15 tax years, are set out below:

- **Income tax relief at 30%** of the amount subscribed provided that the VCT shares are held for at least five years. Relief is restricted to the amount which reduces the Investor's income tax liability to nil.
- **Tax-free dividends, which may include capital distributions**, from a VCT.
- **Capital gains tax exemption** on any gains arising on the disposal of VCT shares.

The table below shows the effect of the initial 30% income tax relief (based on a notional investment of £10,000):

Effect of the initial income tax relief		£
Cost of investment		
Gross investment		10,000
30% income tax relief		(3,000)
Net of tax cost of investment		7,000
Initial value of investment		
Gross subscription by Investor		10,000
Assumed issue costs of 3.5%		(350)
Illustrative net assets attributable to investment		9,650
Initial "uplift" (pounds)		+2,650
Initial "uplift" (%)		+37.9%

The above table shows that, based on an illustrative investment of £10,000 and income tax relief at 30%, an Investor's net of tax cost of investment is £7,000 and the net assets initially attributable to the investment are £9,650. The table ignores the effect of any Adviser Charges paid or Special Terms received. **Investors are required to hold Offer Shares for at least five years in order to retain the income tax relief and, as such, this initial uplift cannot be immediately realised. It should be noted that the price achievable on the sale of the Offer Shares is likely to be lower than the applicable NAV because the Companies' Shares normally trade at a discount to their NAV.** (Source: Downing)

Only a very brief summary of the UK tax position of investors in VCTs, based on the Companies' understanding of current law and practice, is provided above. Further details are set out in Part III of this document. Potential Investors are recommended to consult their independent intermediaries as to the taxation consequences of their investing in a VCT. In addition, the availability of tax reliefs depends on the investee companies maintaining their VCT qualifying status.

VCTs to assist in retirement planning

The Boards believe that an investment in the Companies could be used in conjunction with pensions for retirement planning for certain Investors for the following reasons:

- i) Income received from the Companies will be tax-free.
- ii) Pension investments are restricted both annually (at a lower level than VCTs) and cumulatively.

The table below provides a comparison of some of the key aspects of VCTs and pensions for illustrative purposes only.

Comparison of VCTs and Pensions		
	VCT	Pension
Effective tax relief	30%	20%-45% (individual's marginal rate)
Income	Tax-free	25% of fund can be taken as a tax-free cash sum when benefits are taken (no requirement to retire). Balance of fund used to provide pension income, which is subject to tax as earned income
Capital gains	Tax-free	Tax-free within pension fund
Minimum holding period	Shares can be sold at any time, however, a 5 year holding period is required to retain income tax reliefs obtained on subscription	Individuals cannot receive benefits (e.g. tax-free cash or taxed income) until at least age 55, as set out on the basis above
Access to capital	Yes (subject to liquidity and regulations)	Not until retirement
Maximum annual investment	£200,000	Up to £50,000 per tax year (£40,000 from 2014/15) with the ability to carry forward any unused relief from the previous three tax years.
Lifetime allowances	No limit	£1.5 million (£1.25 million from 2014/15)

The above figures assume that the Shareholder and the VCT qualify for all applicable tax reliefs.

It should be noted that VCTs are higher risk investments and should not be considered as a replacement for pensions. Investors should take independent financial advice before making any investment decision.

The Manager: NVM Private Equity

Introduction

The Companies' venture capital investment portfolios are managed by NVM, which specialises in investing in smaller UK companies of the type qualifying under the VCT legislation. NVM was established in 1988 by the executive team previously employed directly by Northern Investors Company and currently manages funds of £240 million through its offices in Newcastle upon Tyne, Reading and Manchester.

NVM's 12 investment executives have together a total of over 200 years' experience in the venture capital industry. NVM is authorised and regulated by the Financial Conduct Authority under number 141943 and is a member of the BVCA. NVM's team of investment professionals aims to ensure that the Companies gain access to some of the best opportunities available to the industry and, by carrying out extensive due diligence procedures, seeks to identify those companies which potentially offer the best possible risk/return scenarios. NVM currently generates approximately 250 potential new investment opportunities per year, and aims, after rigorous screening and due diligence, to invest in between six and eight of these opportunities (*source: NVM*).

Track record of the Manager

Set out below is the track record of NVM's three VCTs and Northern Investors Company, a generalist private equity investment trust also managed by NVM. The respective unaudited returns of these companies to investors who subscribed at launch are detailed below:

Track Record of NVM's VCTs					
	Tax year of launch	Net cost ¹	Latest NAV date	Total return to date ²	Increase over net cost (%)
Northern Venture Trust	1995/96	80p	30 June 2013	201.9p	+152.4%
Northern 2 VCT	1998/99	80p	30 June 2013	150.2p	+87.8%
Northern 3 VCT	2001/02	80p	30 June 2013	144.2p	+80.3%

¹ Net cost is the initial offer price of 100p per share less the income tax relief available to investors in each of the VCTs at the time of launch.
² Total return is cumulative dividends paid (including the tax credits where reclaimable) plus the most recently announced unaudited net asset value for each VCT in pence per share.

(Source: announcements made by the relevant VCT through an RIS)

Track Record of NVM's Investment Trust				
	Year of flotation	Net asset value at flotation ¹	Cumulative return to date ²	Increase over net asset value at flotation (%)
Northern Investors Company	1990	61.6p	468.1p	+659.9%

¹ Adjusted to reflect 4-for-1 division of ordinary shares in 2005.
² Cumulative dividends paid since flotation, adjusted for 4-for-1 division of ordinary shares in 2005, plus unaudited net asset value as at 30 June 2013.

(Source: announcements made by Northern Investors Company through an RIS)

NVM also manages NV1 LP, a small limited partnership. NV1 LP was established in 2012 and invests in larger transactions alongside the Northern VCTs. It is still in its investing phase, so it is too early for it to have established a track record.

The past performance of the Manager and of the funds it manages may not be repeated and is not a guide to the future performance of the Companies and no projection is implied or should be inferred.

Deal flow

The Board considers strong deal flow to be of vital importance to the future performance of the Companies. The Manager's credentials are as follows:

- Over the ten years to 30 June 2013, **funds managed by NVM have invested over £200 million** in VCT-qualifying companies.
- An average of **£4 million has been invested in each VCT-qualifying later-stage deal** across all funds managed by NVM over the ten years to 30 June 2013.
- **NVM has a regional network** of 12 executives based in major business centres across the UK.
- **NVM generates over 250 investment opportunities per year.**

Management team

NVM's investment team comprises 12 executives who have an average of approximately 13 years' service with the company. The background and experience of the team is as follows:

James Arrowsmith worked in corporate finance at HSBC Bank before joining 3i, becoming an investment director in the London and Birmingham offices. James joined NVM in 2005 as an investment executive and was appointed as a director in 2007. He looks after NVM's investment activity in the Midlands, representing NVM on the boards of Lanner Group, Lineup Systems, Optilan Group, S&P Coil Products, Silverwing and Volumatic.

Mauro Biagioni qualified as a chartered accountant with KPMG before moving to NVM in 2004 as financial controller. In 2008 he joined the investment team, taking responsibility for NVM's investment activity in the North East. He became a director of NVM in 2011 and represents NVM on the boards of Cleveland Biotech (Holdings), Direct Valeting and Wear Inns.

Sue Bromham qualified as a chartered accountant with BDO Binder Hamlyn and worked in financial management for The Go-Ahead Group before joining NVM in 2005. She carries out market research and financial analysis projects as well as working with other members of the team on portfolio issues.

Alastair Conn is financial director of NVM. After qualifying as a chartered accountant with Price Waterhouse he joined Northern Investors Company in 1984 and was a co-founder of NVM in 1988, serving as managing director until 2008. He is a non-executive director of Northern 2 VCT and a member of The Association of Investment Companies' VCT Technical Committee.

Martin Green qualified as a chartered accountant before joining 3i in Birmingham. He became a director responsible for 3i's investment activity across the Midlands before leaving in 2001 to join Montagu Capital as a founding director. He joined NVM in 2004 and became managing director in 2008. He has over 20 years' experience in private equity and represents NVM on the boards of Arleigh Group, e-know.net and Kerridge Commercial Systems.

Peter Hodson was an engineer with BMW Group before working for 3i in Birmingham and then London. He joined NVM in 2004 as an investment executive responsible for generating investments in the London area. He became a director in 2011 and represents NVM funds on the boards of Axial Systems Holdings, Cawood Scientific, Intuitive, Mantis Deposition Holdings and Tinglobal Holdings.

Andy Leach qualified as a chartered accountant with Coopers & Lybrand, working in London and Sydney. He has 20 years' experience of private equity in the North West, having worked in the Manchester office of 3i and co-founded Montagu Capital before becoming a director of LDC. He joined NVM in 2013 and is based in Manchester with responsibility for sourcing new investment opportunities in the North West.

Tim Levett held senior management roles with Shell UK and International Paints before joining Northern Investors Company as an investment executive in 1985, co-founding NVM in 1988. After 20 years leading the investment team he became chairman of NVM in 2008, taking responsibility for investor relations as well as representing NVM on the boards of Alaric Systems, Control Risks Group Holdings and Gentronix. He is a non-executive director of Northern Venture Trust and Northern 3 VCT and a member of The Association of Investment Companies' VCT Forum.

Chris Mellor qualified as a chartered accountant with Spicer & Pegler and joined Northern Investors Company in 1986 and then NVM in 1988. He became a director of NVM in 1996 and is company secretary of the Northern VCTs and Northern Investors Company. He is also responsible for compliance, legal services, information technology systems, London Stock Exchange liaison and personnel.

Charlie Pidgeon qualified as a chartered accountant with PricewaterhouseCoopers, where he was involved in M&A advisory work across a variety of business sectors. He joined NVM in October 2012, based in the Reading office, and works with the investment team on new business generation and portfolio issues.

David Rolfe spent 15 years at PricewaterhouseCoopers, where as a corporate finance director he advised private businesses and private equity houses in the South on mid-market M&A transactions. He joined NVM in May 2012 and is responsible for investment activity in the southern region, representing NVM on the boards of Haystack Dryers and Kirton Group.

Norman Yarrow qualified as a chartered accountant with Thomson McLintock and worked in quoted investment management before joining NVM in 1989. He represents NVM on the board of Weldex (International) Offshore and is responsible for the Northern VCTs' portfolios of AIM-quoted investments. He is a non-executive director of Dunedin Smaller Companies Investment Trust.

Substantial investments by employees of the Manager

Employees of the Manager currently hold a total of over 2,500,000 Shares in the Companies and have undertaken to subscribe an additional £156,000 under the Offers.

Investment policy

The net proceeds of the Offers will be invested by the Companies in accordance with their respective stated investment policies, initially in a portfolio of cash and a range of other securities. The Companies' objectives are to provide high, long-term, tax-free returns to their Shareholders through a combination of dividend yield and capital growth.

The Companies are Venture Capital Trusts approved by HM Revenue & Customs. In order to maintain approved status, the Companies must comply on a continuing basis with the provisions of Section 274 of the Income Tax Act 2007; in particular, the Companies are required at all times to hold at least 70% of their investments (as defined in the legislation) in VCT-qualifying holdings, of which at least 30% (70% for funds raised after 5 April 2011) must comprise eligible ordinary shares. For this purpose a "VCT-qualifying holding" consists of up to £5 million invested in any one year in new shares or securities of a UK unquoted company (which may be quoted on AIM) which is carrying on a qualifying trade, and whose gross assets at the time of investment do not exceed a prescribed limit. The definition of "qualifying trade" excludes certain activities such as property investment and development, financial services and asset leasing.

The Companies' investment policies have been designed to enable the Companies to comply with the VCT-qualifying conditions set out above. The Directors intend that the long-term allocation of the Companies' assets will be approximately 80% in portfolios of VCT-qualifying unquoted and AIM investments and 20% in other investments, including listed fixed-interest and equity securities and bank deposits and/or selected with a view to producing an enhanced return while avoiding undue capital volatility. These non-qualifying investments are designed to provide a reserve of liquidity which will

maximise the Companies' flexibility as to the timing of investment acquisitions and disposals, dividend payments and share buybacks. Within the VCT-qualifying portfolios, investments will be structured using various listed and unlisted investment instruments, including ordinary and preference shares, loan stocks and convertible securities, to achieve an appropriate balance of income and capital growth, having regard to the VCT legislation.

Based on the present gross assets of the Companies, the Directors expect that no single investment would normally represent in excess of 3% of the total assets of Northern Venture Trust or Northern 2 VCT or 4% of the total assets of Northern 3 VCT, at the time of acquisition. However, Shareholders should be aware that the Companies' VCT-qualifying investments are held with a view to long-term capital growth as well as income and will often have limited marketability; as a result it is possible that individual holdings may grow in value to the point where they represent a higher proportion of total assets prior to a realisation opportunity being available. Investments will normally be made using the Companies' equity shareholders' funds and it is not intended that any of the Companies will take on any long-term borrowings.

Diversification

The VCT-qualifying portfolios will be diversified by investing in a broad range of industry sectors and by holding investments at different stages of maturity in the corporate development cycle. The normal investment holding period will be in the range of three to seven years. Up to approximately 10% by value of each Company's investments may be in early stage companies with high growth potential.

Risk allocation

The net proceeds of the Offers will be put on deposit or invested in listed Fixed Income Securities and a range of other securities, with a view to maintaining capital value until suitable qualifying investment opportunities are found that fit the Companies' requirements. Each Company's long-term objective is to invest approximately 80% of its net assets in venture capital investments.

Borrowing

Each of the Companies has the power to borrow up to an amount equal to its paid up share capital and reserves (subject to certain adjustments set out in the Articles). The Directors do not intend to utilise this power other than on a short-term basis for cash flow management purposes, in which case the amount borrowed may not exceed 100% of each Company's paid up share capital and reserves.

Co-investment policy

The Directors consider that the ability to invest jointly with other funds managed by the Manager is desirable because it may enable each Company to participate in larger investments than those which it could undertake using only its own resources. It has been agreed that, where a joint investment opportunity arises between the Companies and other funds managed by the Manager, an investment allocation will be offered to each party pro rata to their respective net assets at the time of investment. Any costs associated with any such investment which are payable by funds managed by the Manager will be borne by the relevant fund pro rata to its respective investment. The expected approximate size range for VCT-qualifying investments by the Northern VCTs is from £3 million to £5 million in aggregate. In addition, NV1 LP may invest in each deal, further increasing the investment capacity. Under the co-investment scheme, detailed on page 10, executives of the Manager are required to invest personally alongside the Companies in each new investee company on a predetermined basis.

Realisation of investment

Share buyback policy

Each Company wishes to ensure that there is liquidity in its Shares and, accordingly, intends to pursue an active discount management policy. The Companies will endeavour to buy back in the market those Shares which Shareholders wish to sell, at a discount of 10% to the latest published NAV, subject to applicable regulations governing the Companies, market conditions at the time and the relevant Company having both the necessary funds and distributable reserves available for the purpose. Subject to legislative requirements, the Directors have the ability to utilise a small amount of the proceeds of the Offers to fund share buybacks. Shares which are bought back by the Companies may be cancelled or held in treasury and later sold in the market. This buyback policy aims to support the market price of the Shares of each Company by limiting the discount to NAV at which shares trade. The making and timing of any share buybacks will remain at the absolute discretion of each Board. Under the current Listing Rules, the price paid for the Shares cannot be more than the higher of: (i) the amount equal to 105% of the average of the middle market quotations for the five Business Days immediately preceding the date on which the Shares are purchased; (ii) the price of the last independent trade; and (iii) the highest then current independent bid on the London Stock Exchange.

Dividend policy

A significant benefit of a VCT, not available to an investment trust, is the ability to make tax-free distributions from income and realised capital gains. With a view to encouraging the development of a more active secondary market in the Companies' Shares the Boards intend, as far as possible, to declare an annual dividend of at least 6p per Share for Northern Venture Trust and 5.5p per Share for each of Northern 2 VCT and Northern 3 VCT, subject to the availability of sufficient distributable reserves and applicable laws and regulations. These figures are not intended to be maximums and the Boards may declare higher dividends where the reserves make this possible.

Dividend Investment Schemes

The Directors offer Shareholders the opportunity to invest their dividends by subscribing for new shares in the relevant Company. Dividend Investment Schemes enable Shareholders to increase their total holding in each Company without incurring dealing costs, issue costs or stamp duty. These shares should qualify for the VCT tax reliefs that are applicable, at the time of investment, to subscription for new shares in VCTs. The Dividend Investment Schemes may be appropriate for those subscribers who are investing primarily for capital growth.

Shares subscribed through the relevant Dividend Investment Scheme will form part of each Shareholder's annual limit (£200,000 in the 2013/14 tax year) for investing in Venture Capital Trusts. Investors wishing to invest their dividends should complete the relevant form, which will be distributed with their share certificates and income tax relief certificates which will be sent to Investors after allotment. The terms and conditions of the Dividend Investment Schemes are set out in Part VI of the Registration Document.

Directors

The Directors of the Companies (all of whom are non-executive) are as follows:

Northern Venture Trust	Northern 2 VCT	Northern 3 VCT
John Hustler (Chairman)	David Gravells (Chairman)	James Ferguson (Chairman)
Nigel Beer	Alastair Conn*	Chris Fleetwood
Simon Constantine	Michael Denny	Tim Levett*
Tim Levett*	Christopher Fletcher	John Waddell
Hugh Younger	Frank Neale	

*Executive director of the Manager

The present aggregate shareholdings of the Directors in the Companies of which they are directors, and the aggregate amounts which the Directors have undertaken to subscribe in their Companies under the Offers, are as follows:

Company	Present aggregate shareholdings of the Directors of the Company	Aggregate amounts to be subscribed by the Directors of the Company under the Offers
Northern Venture Trust	351,686 Shares	£100,000
Northern 2 VCT	362,254 Shares	£67,990
Northern 3 VCT	212,749 Shares	£110,000

The figures above exclude the holdings and intended subscriptions of Alastair Conn and Tim Levett, which have been included in the figures stated for NVM employees on page 7. Further details of the Directors can be found in the Registration Document.

Charges

Initial costs

The initial costs to Investors are made up of the Promoter's Fee plus Adviser Charges (where applicable).

Downing will charge a Promoter's Fee of 5.5% of the monies subscribed, where it is required to pay commission to an Intermediary (3.5% where no commission is payable). Out of its Promoter's Fees, Downing will be responsible for paying all the costs of the Offers. Adviser Charges are the fees agreed between Intermediaries and Investors for advice and related services.

The number of Offer Shares issued under the Offers will be determined by the "blended" issue costs. Applicants will have a different issue cost attributable to their application for Offer Shares under the Offers depending on the level of Promoter's Fees and Adviser Charges agreed with their Intermediary, adjusted for any Special Terms. Further details are provided in the section headed "Pricing of the Offers" on page 11.

Annual management and administration costs

NVM is the Manager of the Companies' venture capital investments as set out under agreements which may be terminated by either party on giving 12 months' notice.

The Manager receives from each Company a basic management fee, payable quarterly in advance, at the rate of 2.06% of net assets, calculated at half-yearly intervals as at 31 March and 30 September. NVM also provides secretarial and administration services to each Company, for annual fees of £60,000, £50,000 and £48,000 for Northern Venture Trust, Northern 2 VCT and Northern 3 VCT respectively (linked to the movement in the UK Index of Retail Prices).

Performance-related management fees

The Manager is also entitled to receive a performance-related management fee from each Company, calculated as follows:

Northern Venture Trust: 15% of the amount, if any, by which the increase in Total Return in each financial year (expressed as a percentage of opening NAV) exceeds a performance hurdle. The hurdle is a composite rate based on 7% on average long-term investments and the higher of base rate and 3% on average cash and near-cash investments during the year, subject to such cash investments being limited to 25% of the total investments of Northern Venture Trust.

Northern 2 VCT: 9.5% of the amount, if any, by which the increase in Total Return in each financial year (expressed as a percentage of opening NAV) exceeds a performance hurdle. The hurdle is a composite rate based on 7% on average long-term investments and base rate on average cash and near-cash investments during the year.

Northern 3 VCT: 14.2% of the amount, if any, by which the increase in Total Return in each financial year (expressed as a percentage of opening NAV) exceeds a performance hurdle. The hurdle is a composite rate based on 7% on average long-term investments and the higher of base rate and 3% on average cash and near-cash investments during the year.

Following a year in which Total Return decreases, a "high water mark" will apply to the calculation of the performance-related fee, whereby, in the case of Northern Venture Trust an amount equivalent to the reduction will be deducted from subsequent increases in Total Return achieved prior to any further performance-related fee calculation taking place, and in respect of Northern 2 VCT and Northern 3 VCT the "high water mark" will be adjusted downward to the extent that a positive return is achieved in the following financial year. The performance-related fee payable in any financial year is subject to an overall cap of 2.25% of the respective Company's net assets.

The Annual Running Costs of the Companies are capped at 2.9% of their respective net assets, any excess being borne by the Manager by way of a reduction of its fees. Annual Running Costs include, *inter alia*, Directors' fees, fees for audit and taxation advice, registrars' fees, costs of communicating with Shareholders, the basic annual fees payable to the Manager and annual commission payments to Downing, but exclude performance-related management fees. The total annual running costs (excluding performance-related fees) for the most recently completed financial years for Northern Venture Trust, Northern 2 VCT and Northern 3 VCT were 2.62%, 2.45% and 2.59% of their respective average net assets.

Incentivisation of the management team

Investment executives employed by the Manager and nominated by it (in its absolute discretion) to participate in a co-investment (the "Co-Investors") are required to invest directly (on the same terms as the Companies) in the ordinary shares of the investee companies in which the Companies invest, whether from the proceeds of the Offers or from the funds attributable to the Existing Shares. Co-Investors are required to subscribe as follows, subject to an annual cap set by the Manager for each Co-Investor:

- where the investment comprises a mixture of ordinary shares and loans or redeemable preference shares, for 5% of the aggregate amounts invested in ordinary shares at the same time as the Companies; or
- where the investment is structured entirely as ordinary shares (including investments quoted on AIM), for 1% of the aggregate amount invested at the same time as the Companies; or
- where a further investment is made in an existing portfolio company, for 1% of the entire investment "strip" (i.e. ordinary shares and any other investment instruments) invested at the same time as the Companies.

All investments in unquoted entities made by Co-Investors under the scheme will be realised at the same time, and on the same terms, as the corresponding investments made by the Companies. Co-Investors under the scheme will not necessarily be required to realise investments at the same time, or on the same terms, as the corresponding investments made by the Companies in respect of investments in quoted entities.

The co-investment scheme has been in operation since March 2006. As at 30 June 2013, participants in the co-investment scheme held investments in 30 companies across all NVM managed funds, acquired at an aggregate cost of £718,000.

The Directors believe that the co-investment scheme enables the Manager to recruit and retain high calibre executives in a competitive market environment, by providing an effective and tax-efficient incentive to Co-Investors at a modest dilution to the Companies' investment returns, whilst securing a substantial personal financial commitment from each Co-Investor to the investments made by the Companies.

Other information

Pricing of the Offers

The number of Offer Shares to be issued to each Applicant in each Company will be calculated based on the following Pricing Formula (rounded down to the nearest whole Offer Share):

$$\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, less:} \\ \text{(i) initial Promoter's Fee}^1 \text{ and} \\ \text{(ii) Adviser Charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published NAV} \\ \text{per Offer Share}^2 \end{array} \right]$$

¹ less any reduction for Special Terms as set out on the contents page of this document and/or commission waived by Intermediaries (where applicable)

² after deducting any dividends declared but not receivable by Investors and not already deducted from the NAV

Illustrative examples (based on a subscription under the Offers of £10,000 in Northern Venture Trust and an adjusted NAV per Offer Share of 84.4p)

- (i) Promoter's Fee (advised or direct investment from Existing Shareholder before 30 September 2013*) of 2.0% = £200
Example Adviser Charge = nil (fee being paid directly by the Investor to his/her Intermediary or no Intermediary used)
Number of Offer Shares = $(10,000 - 200 - 0) \div 0.844 = 11,611$
- (ii) Promoter's Fee (advised or direct investment) of 3.5% = £350
Example Adviser Charge = £300
Number of Offer Shares = $(10,000 - 350 - 300) \div 0.844 = 11,078$
- (iii) Promoter's Fee (Execution-only Transaction 5.5% minus 2% commission waived) of 3.5% = £350
Example Adviser Charge = nil
Number of Offer Shares = $(10,000 - 350 - 0) \div 0.844 = 11,433$

**Applications from existing shareholders in the Northern VCTs (or their Spouses) received and accepted by 30 September 2013 will benefit from a reduction in the Promoter's Fee of 1.5% of the amount subscribed (before any deduction of Adviser Charges) – to either 2% or 4% as applicable.*

It should be noted that the example Adviser Charges set out above have been provided to illustrate the pricing of the Offers and should not be considered as a recommendation as to the appropriate levels of an Adviser Charge.

Income tax relief should be available on the total amount subscribed, subject to VCT Regulations and personal circumstances, which, in the above examples, would be £3,000 (£10,000 at 30%).

Adviser Charges

Commission is generally not permitted to be paid to Intermediaries who provide a personal recommendation to UK retail clients on investments in VCTs after 30 December 2012. Instead of commission being paid by the VCT, an Adviser Charge will usually be agreed between the Intermediary and Investor for the advice and related services. This fee can either be paid directly by the Investor to the Intermediary or, if it is an initial one-off fee, the payment of such fee may be facilitated by Northern Venture Trust, Northern 2 VCT or Northern 3 VCT out of the Investor's funds received by the Companies. Ongoing fees to Intermediaries will not be facilitated by the Companies. If the payment of the Adviser Charge is to be facilitated by the Companies, then the Investor is required to specify the amount of the charge in box 4 of the Application Form. The Investor will be issued fewer Offer Shares (to the equivalent value of the Adviser Charge) through the Pricing Formula set out above. The Adviser Charge is inclusive of VAT, where applicable.

Commission

Commission may be payable where there is an Execution-only Transaction and no advice has been provided by the Intermediary to the Investor or where the Intermediary has demonstrated to NVM that the Investor is a professional client of the Intermediary. Commission is payable by Downing out of its Promoter's Fees. Those Intermediaries who are permitted to receive commission will usually receive an initial commission of 2% of the amount invested by their clients under the Offers. Additionally, provided that the Intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Offer Shares, and subject to applicable laws and regulations, the Intermediary will usually be paid an annual trail commission of 0.25% of their client Investors' gross subscriptions for five years. Trail commission will be paid annually in April (commencing in 2015). The Companies will pay Downing 0.25% per annum, for 5 years, of the gross proceeds received under the Offers where trail commission is payable and Downing will pay the annual trail commission to Intermediaries.

Taxation and HM Revenue & Customs approval

The Directors intend to conduct the affairs of the Companies so that the conditions for approval as a VCT will continue to be satisfied. HM Revenue & Customs has granted the Companies approval under Section 274 ITA as a VCT. The Companies intend to continue complying with Section 274 ITA and have retained PricewaterhouseCoopers LLP to advise them on VCT taxation matters.

The Offers and minimum and maximum subscription

The Offer Shares are now being offered to the public at Initial Offer Prices of 87.46p, 85.28p and 106.01p per Offer Share in Northern Venture Trust, Northern 2 VCT and Northern 3 VCT respectively (unless adjusted by the Pricing Formula), payable in full upon application. The Offers are restricted to a maximum amount to be raised of £15,000,000 for Northern Venture Trust, £15,000,000 for Northern 2 VCT and £20,000,000 for Northern 3 VCT. The Offers are not underwritten and there is no minimum subscription level for the Offers to proceed. In the event that applications are received for in excess of the maximum the Directors reserve the right to use their absolute discretion in the allocation of successful applications. Applicants are encouraged to submit their Application Forms early in order to be confident that their applications will be successful, as Offer Shares will generally be allotted on a “first come – first served” basis, subject to the absolute discretion of the Boards of the Companies.

The maximum amount payable by the Companies in respect of the costs of the Offers will be 5.5%. The maximum net proceeds (assuming the Offers are fully subscribed with costs of the Offers of 2%) for each of Northern Venture Trust and Northern 2 VCT will be £14.7 million and for Northern 3 VCT will be £19.6 million. The cost of the Offers at 2% assumes all Investors, or their Spouses, being current Northern VCT shareholders, being advised by an Intermediary on their investment and investing before 30 September 2013, and no Adviser Charges being paid.

The minimum investment per Investor is £6,000 across all Companies. Investors may apply for Offer Shares in any or all of the Companies so long as the total value of the Offer Shares applied for is not less than £6,000. There is no maximum investment although tax reliefs are available on a maximum investment of £200,000 per individual in all VCTs per tax year (including any dividend investment schemes). The Offers will open on 31 July 2013 and will close when fully subscribed or no later than 3.00pm on 4 April 2014 for the 2013/14 tax year and no later than 3.00pm on 30 April 2014 for the 2014/15 tax year, unless previously extended (but to no later than 30 July 2014).

Applications will be made to the UK Listing Authority for the Admission of all the Offer Shares. The Offer Shares will be issued in registered form and be transferable in both certificated and uncertificated form. The Offer Shares will rank equally with Existing Shares for all dividends and other distributions declared after their allotment. It is anticipated that dealings in the Offer Shares will commence on first Admission, expected to take place from 15 October 2013. In respect of Offer Shares allotted thereafter, Admission should take place within 20 Business Days of such allotment. Dealings will not begin before notification of allotments is made. Revocation of the Offers cannot occur after dealings in the Offer Shares have commenced. The Companies have applied for the Offer Shares to be admitted to CREST and it is expected that the Offer Shares will be so admitted and, accordingly, enabled for settlement in CREST, as soon as practicable after Admission has occurred. Accordingly, settlement of transactions in the Offer Shares following Admission may take place within the CREST system if Shareholders wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Share certificates (where applicable) and certificates to enable a claim for income tax relief to be made in respect of Offer Shares will be posted to Shareholders within 30 days of each allotment. No notification will be made to successful applicants prior to despatch of definitive share certificates. Prior to despatch of definitive share certificates (where applicable), transfers (if any) will be certified against the register. No temporary documents of title will be issued. CREST accounts will first be credited on the same day on which dealings in the Offer Shares first commence. The ISIN numbers for the Offer Shares are GB0006450703 for Northern Venture Trust, GB0005356430 for Northern 2 VCT and GB0031152027 for Northern 3 VCT.

The result of the Offers will be announced to the London Stock Exchange through an RIS provider authorised by the FCA.

Availability of the Prospectus and any supplementary Prospectus

Copies of the Prospectus relating to the Offer and any related supplementary Prospectus published by the Companies are available for download at the National Storage Mechanism (www.morningstar.co.uk/uk/NSM) and may be obtained, free of charge, from the Companies’ registered office, where they are also on display, and from:

contact:	Downing LLP 10 Lower Grosvenor Place London SW1W 0EN	NVM Private Equity Limited Northumberland House Princess Square Newcastle upon Tyne NE1 8ER
telephone:	020 7416 7780	0191 244 6000
email:	vct@downing.co.uk	vct@nvm.co.uk
website:	www.downing.co.uk	www.nvm.co.uk

Financial calendars

	Northern Venture Trust	Northern 2 VCT	Northern 3 VCT
Financial year end	30 September	31 March	31 March
Annual results announcement and posting of annual report	November	May	May
Annual general meeting	December	July	July
Dividends paid	June and December	January and July	January and July
Half-yearly results announcement and posting of half-yearly report	May	November	November

Part II – Track record of the Companies

Northern Venture Trust was incorporated in 1995, Northern 2 VCT in 1999 and Northern 3 VCT in 2001. The Northern VCTs are all ranked in the top 10 out of 40 generalist (including planned exit) VCTs based on Total Return over the five years to 30 June 2013 (source: Association of Investment Companies).

Financial performance

The financial performance of the Companies over their last five financial periods to 30 June 2013 (the most recently announced results) are summarised below.

Northern Venture Trust – Dividends and Total Return					
Period ended (per Share)	30 June 2013 ¹	30 September 2012	30 September 2011	30 September 2010	30 September 2009
Dividends					
Dividends declared in respect of the period ²	12.0p ³	6.0p	6.0p	7.5p	7.5p
Cumulative dividends declared since inception	117.5p	105.5p	99.5p	93.5p	86.0p
Total Return					
Net asset value plus cumulative dividends paid	201.9p	191.4p	184.3p	174.2p	166.3p

¹ Unaudited figures for nine month period. ² Dividends have been listed against the period to which they relate. ³ Includes a special dividend of 9p.

Northern 2 VCT – Dividends and Total Return					
Period ended (per Share)	30 June 2013 ¹	31 March 2013	31 March 2012	31 March 2011 ²	31 January 2010
Dividends					
Dividends declared in respect of the period ³	-	5.5p	5.5p	6.5p	5.5p
Cumulative dividends declared since inception	67.9p	67.9p	62.4p	56.9p	50.4p
Total Return					
Net asset value plus cumulative dividends paid	150.2p	149.3p	139.2p	131.9p	124.8p

¹ Unaudited figures for three month period. ² The results to 31 March 2011 comprised a fourteen month period. ³ Dividends have been listed against the period to which they relate.

Northern 3 VCT – Dividends and Total Return					
Period ended (per Share)	30 June 2013 ¹	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Dividends					
Dividends declared in respect of the period ²	-	5.5p	5.0p	4.5p	4.0p
Cumulative dividends declared since inception	41.9p	41.9p	36.4p	31.4p	26.9p
Total Return					
Net asset value plus cumulative dividends paid	144.2p	143.0p	130.1p	121.1p	115.1p

¹ Unaudited figures for three month period. ² Dividends have been listed against the period to which they relate.

As at 30 June 2013, the combined venture capital portfolio of the Northern VCTs comprised 48 investments with an unaudited aggregate value of £122 million. The 20 largest investments as at 30 June 2013 represented in total 56.4%, 52.8% and 60.6% of the unaudited net assets of Northern Venture Trust, Northern 2 VCT and Northern 3 VCT respectively. A summary of the unaudited investment portfolio of each Company is set out below. Further details of each Company's investments are set out in Parts III, IV and V of the Registration Document.

Recent investments

Set out below is a summary of all investments made by the Northern VCTs over the last 12 months.

Company/activity	Date of investment	Type of transaction	Amount invested by the Companies £000	Amount invested by all NVM funds £000
Silverwing <i>Non-destructive testing for oil and gas industry</i>	August 2012	Management buy-out	4,433	5,951
Haystack Dryers <i>Manufacture of body dryers for leisure and healthcare sectors</i>	November 2012	Growth capital	3,432	3,450
Intuitive <i>Software for travel companies</i>	December 2012	Management buy-out	4,476	6,913
Cleveland Biotech (Holdings) <i>Biological waste treatment products</i>	June 2013	Management buy-out	2,984	3,000
Kirton Group <i>Manufacture of specialist seating and related products</i>	June 2013	Management buy-out	3,088	4,140
Buoyant Holdings <i>Manufacture of upholstered furniture</i>	July 2013	Management buy-out	4,485	7,000

Recent material investment disposals

Set out below is a summary of significant investment disposals by the Northern VCTs over the last 12 months.

Company/activity	Date of investment	Date of realisation	Amount invested by the Companies £000	Total income and capital proceeds for the Companies £000	Money multiple ¹
Paladin Group <i>Property management services</i>	June 2006	November 2012	4,261	9,893	2.3x
Interlube Systems <i>Manufacture of lubrication systems</i>	August 2000	March 2013	1,504	4,485	3.0x
Tikit Group <i>Software for professional practices</i>	May 1999	February 2013	1,700	5,834	3.4x
IG Doors <i>Manufacture of steel and GRP composite doors</i>	November 2003	June 2013	2,491	7,363	3.0x

¹ Total income and capital proceeds stated as a multiple of the amount invested by the Companies.

Investment portfolios

Northern Venture Trust

	Cost £000	Valuation £000	% of net assets by value	Sector
Venture capital investments				
Kerridge Commercial Systems <i>Enterprise resource planning software</i>	1,741	5,608	7.9	IT services
Alaric Systems <i>Fraud prevention and transaction handling software</i>	2,056	3,785	5.3	IT services
Volumatic <i>Cash handling equipment</i>	2,095	3,617	5.1	Industrial
CGI Group Holdings <i>Fire-resistant glass</i>	3,818	2,332	3.3	Construction
Wear Inns <i>Managed public houses</i>	1,640	2,124	3.0	Leisure
Weldex (International) Offshore Holdings <i>Crawler crane hire and lifting equipment</i>	3,262	2,119	3.0	Construction
Silverwing <i>Non-destructive testing solutions</i>	1,773	1,994	2.8	Services
Advanced Computer Software Group* <i>Software and IT services</i>	382	1,987	2.8	IT services
Tinglobal Holdings <i>Refurbishment of IT equipment</i>	1,988	1,903	2.7	IT services
Intuitive <i>Software and IT services for travel sector</i>	1,674	1,674	2.4	IT services
Kitwave One <i>Wholesale supply of confectionery, beverages etc</i>	1,582	1,579	2.2	Consumer
Promatic Group <i>Clay target launch equipment</i>	1,230	1,407	2.0	Leisure
IDOX* <i>Document and information management systems</i>	269	1,377	1.9	IT services
Arleigh Group <i>Spares and consumables for caravans and leisure boats</i>	601	1,339	1.9	Leisure
Control Risks Group Holdings <i>Specialist risk consultancy</i>	746	1,315	1.9	Services
Cawood Scientific <i>Laboratory testing services for land-based industries</i>	1,073	1,296	1.8	Services
Haystack Dryers <i>Body dryers</i>	1,283	1,283	1.8	Leisure
Kirton Group <i>Specialist seating</i>	1,155	1,155	1.6	Consumer
Cleveland Biotech (Holdings) <i>Environmental biotechnology</i>	1,116	1,116	1.6	Healthcare
Lineup Systems <i>Software for advertising and media</i>	974	974	1.4	IT services
20 largest venture capital investments	30,458	39,984	56.4	
Other venture capital investments	9,101	7,036	10.0	
Total venture capital investments	39,559	47,020	66.4	
Listed equity investments	4,777	5,101	7.2	
Listed fixed income investments	5,741	5,341	7.5	
Total fixed asset investments	50,077	57,462	81.1	
Net current assets		13,383	18.9	
Net assets		70,845	100.0	

*Quoted on AIM

Northern 2 VCT

	Cost £000	Valuation £000	% of net assets by value	Sector
Venture capital investments				
Kerridge Commercial Systems <i>Enterprise resource planning software</i>	1,740	5,605	8.8	IT services
Volumatic <i>Cash handling equipment</i>	2,095	3,617	5.7	Industrial
Wear Inns <i>Managed public houses</i>	1,868	2,421	3.8	Leisure
Alaric Systems <i>Fraud prevention and transaction handling software</i>	1,200	2,208	3.4	IT services
Advanced Computer Software Group* <i>Software and IT services</i>	381	1,986	3.1	IT services
Tinglobal Holdings <i>Refurbishment of IT equipment</i>	1,988	1,903	3.0	IT services
Silverwing <i>Non-destructive testing solutions</i>	1,388	1,561	2.4	Services
Arleigh Group <i>Spares and consumables for caravans and leisure boats</i>	698	1,557	2.4	Leisure
Intuitive <i>Software and IT services for travel sector</i>	1,508	1,508	2.4	IT services
Control Risks Group Holdings <i>Specialist risk consultancy</i>	746	1,315	2.1	Services
Kitwave One <i>Wholesale supply of confectionery, beverages etc</i>	1,246	1,242	1.9	Consumer
Haystack Dryers <i>Body dryers</i>	1,157	1,157	1.8	Leisure
Promatic Group <i>Clay target launch equipment</i>	987	1,134	1.8	Leisure
Kirton Group <i>Specialist seating</i>	1,041	1,041	1.6	Consumer
Cawood Scientific <i>Laboratory testing services for land-based industries</i>	1,031	1,035	1.6	Services
Cleveland Biotech (Holdings) <i>Environmental biotechnology</i>	1,006	1,006	1.6	Healthcare
Lineup Systems <i>Software for advertising and media</i>	974	974	1.5	IT services
e-know.net <i>Managed IT services</i>	435	964	1.5	IT services
Mantis Deposition Holdings <i>Thin film deposition</i>	742	773	1.2	Industrial
Lanner Group <i>Process simulation software</i>	772	772	1.2	IT services
20 largest venture capital investments	23,003	33,779	52.8	
Other venture capital investments	8,600	4,961	7.8	
Total venture capital investments	31,603	38,740	60.6	
Listed equity investments	3,988	4,312	6.8	
Listed fixed income investments	4,135	3,913	6.1	
Total fixed asset investments	39,726	46,965	73.5	
Net current assets		16,942	26.5	
Net assets		63,907	100.0	

*Quoted on AIM

Northern 3 VCT

	Cost £000	Valuation £000	% of net assets by value	Sector
Venture capital investments				
Kerridge Commercial Systems <i>Enterprise resource planning software</i>	1,663	4,794	9.4	IT services
Volumatic <i>Cash handling equipment</i>	2,096	3,618	7.1	Industrial
Advanced Computer Software Group* <i>Software and IT services</i>	1,035	3,347	6.6	IT services
IDOX* <i>Document and information management systems</i>	600	1,906	3.7	IT services
Tinglobal Holdings <i>Refurbishment of IT equipment</i>	1,988	1,903	3.7	IT services
Wear Inns <i>Managed public houses</i>	1,406	1,821	3.6	Leisure
Silverwing <i>Non-destructive testing solutions</i>	1,272	1,431	2.8	Services
Control Risks Group Holdings <i>Specialist risk consultancy</i>	746	1,315	2.6	Services
Intuitive <i>Software and IT services for travel sector</i>	1,293	1,293	2.5	IT services
Kitwave One <i>Wholesale supply of confectionery, beverages etc</i>	1,000	997	2.0	Consumer
Cawood Scientific <i>Laboratory testing services for land-based industries</i>	825	995	2.0	Services
Haystack Dryers <i>Body dryers</i>	992	992	2.0	Leisure
Lineup Systems <i>Software for advertising and media</i>	974	974	1.9	IT services
Kirton Group <i>Specialist seating</i>	892	892	1.7	Consumer
Cleveland Biotech (Holdings) <i>Environmental biotechnology</i>	862	862	1.7	Healthcare
Promatic Group <i>Clay target launch equipment</i>	701	804	1.6	Leisure
Optilan Group <i>Telecommunications systems integrator</i>	1,125	792	1.6	Leisure
Arleigh Group <i>Spares and consumables for caravans and leisure boats</i>	336	750	1.5	Leisure
Sinclair IS Pharma* <i>Specialised dermatology products</i>	753	706	1.4	Leisure
Mantis Deposition Holdings <i>Thin film deposition</i>	596	620	1.2	Industrial
20 largest venture capital investments	21,155	30,812	60.6	
Other venture capital investments	8,572	6,015	11.7	
Total venture capital investments	29,727	36,827	72.3	
Listed equity investments	5,217	5,672	11.1	
Listed fixed income investments	3,004	3,035	6.0	
Total fixed asset investments	37,948	45,534	89.4	
Net current assets		5,416	10.6	
Net assets		50,950	100.0	

*Quoted on AIM

Investors should note that the net proceeds of the Offers will be invested in accordance with the Companies' investment policy, as set out on pages 7 and 8 of this document. **As general economic circumstances and prospects may vary over time there can be no guarantee that future investments will be made in the same sectors or types of companies as the present portfolio.**

Part III – Taxation

VCTs: Summary of the applicable legislation in respect of investors

1. Taxation of a VCT

VCTs are exempt from corporation tax on chargeable gains. There is no restriction on the distribution of realised capital gains by a VCT, subject to the requirements of company law. The Companies will be subject to corporation tax on their income (excluding dividends received from UK companies) after deduction of attributable expenses.

2. Tax reliefs for individual investors

Individuals must be aged 18 or over to qualify for the tax reliefs outlined below. The reliefs are available for acquisitions of shares in VCTs up to a maximum investment of £200,000 per tax year.

Relief from income tax

An investor subscribing up to £200,000 in the 2013/14 or 2014/15 tax years for eligible shares in a VCT will be entitled to claim income tax relief, at the rate of 30%, although this relief will be withdrawn if either the shares are sold within five years or the investor takes out a loan which would not have been made, or would not have been made on the same terms, save for the acquisition of such shares. Relief is restricted to the amount which reduces the investor's income tax liability to nil. However, tax credits on dividends are notional and cannot be repaid and, therefore, investors should take this into account when calculating the value of the income tax relief.

Claiming income tax relief

Investors will receive a certificate from the relevant Company within 30 days of their Shares being issued, which will enable them to claim the tax relief. Income tax relief can be claimed by an Investor writing to their HM Revenue & Customs office, requesting that their tax code be amended, so that the tax relief is received each month through the PAYE system. Investors who pay their tax in instalments may be able to apply for a reduction in their payments on account. Alternatively, an Investor can claim the relief through their tax return in respect of the tax year in which the Shares have been subscribed.

Dividend relief

An investor who subscribes for or acquires eligible shares in a VCT (up to a maximum of £200,000 in each of the 2013/14 and 2014/15 tax years) will not be liable for UK income tax on dividends paid by the VCT. The income received by the VCT will usually constitute either interest (on which the VCT may be subject to tax) or a dividend from a UK company (on which the VCT would not be subject to tax). The VCT's income, reduced by the payment of tax (if applicable), can then be distributed tax-free to investors who benefit from this dividend relief. There is no withholding tax on dividends paid by a UK company and consequently the Companies do not assume responsibility for the withholding of tax at source. Dividends carry a tax credit at the rate of one-ninth of the net dividend which is not repayable and which cannot be utilised in any other way.

Capital gains tax relief

A disposal by an individual investor of his shares in a VCT will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is also limited to disposals of shares acquired within the £200,000 limit described above.

Loss of tax reliefs

- (i) If a company which has been granted approval or provisional approval as a VCT subsequently fails to comply with the conditions for approval, VCT status may be withdrawn or treated as never having been given. The exemptions from corporation tax on capital gains will not apply to any gain realised after VCT status is lost (and on any gain realised by the VCT if approval is deemed never to have been given).
- (ii) For investors, the withdrawal of VCT status may (depending upon the timing of such withdrawal) result in:
 - repayment of the 30% income tax relief on subscription for new VCT shares;
 - income tax becoming payable on subsequent payments of dividends by the company; and
 - a liability to tax on capital gains being suffered in the normal way on the disposal of shares in the company, except that any part of the gain attributable to the period for which the VCT was approved would be exempt.
- (iii) The consequences for investors in a company which never obtains full unconditional approval as a VCT are as follows:
 - repayment of the 30% income tax relief on subscriptions for new VCT shares and interest on overdue tax may arise;
 - income tax becoming payable on all payments of dividends by the company; and
 - any gain arising on a disposal of the shares would be liable to capital gains tax and losses on the shares would be allowable losses for capital gains tax purposes.

The Offer Shares are eligible VCT shares for the purposes of this section.

3. Consequences of an investor dying or a transfer of Shares between spouses

(i) *Initial income tax*

If an investor dies at any time after making an investment in a VCT, the transfer of shares on death is not treated as a disposal and, therefore, the initial income tax relief is not withdrawn. However, the shares will become part of the deceased's estate for inheritance tax purposes.

(ii) *Tax implications for the beneficiary*

Provided a number of conditions are met, the beneficiary of any VCT shares will be entitled to tax-free dividends and will not pay capital gains tax on any disposal, but will not be entitled to any initial income tax relief.

(iii) *Transfer of shares between spouses*

Transfers of shares in a VCT between spouses is not deemed to be a disposal and therefore all tax reliefs will be retained.

4. General

(i) *Investors who are not resident in the UK*

Non-resident investors, or investors who may become non-resident, should seek their own professional advice as to the consequences of making an investment in the Companies, because they may be subject to tax in other jurisdictions.

(ii) *Stamp duty and stamp duty reserve tax*

No stamp duty or (unless shares in a VCT are issued to a nominee for a clearing system or a provider of depository receipts) stamp duty reserve tax will be payable on the issue of such shares. The transfer on the sale of shares would normally be subject to ad valorem stamp duty or (if an unconditional agreement to transfer such shares is not completed by a duly stamped transfer within two months) stamp duty reserve tax generally, in each case at the rate of 50p for every £100 or part of £100 of the consideration paid where the total consideration exceeds £1,000 or if it forms part of a series of transactions where the total consideration exceeds £1,000. Such duties would be payable by a person who purchases such shares from the original subscriber.

(iii) *Purchases in the market after listing*

Any subsequent purchaser of existing VCT shares, as opposed to a subscriber for new VCT shares, will not qualify for income tax relief on investment but may benefit from dividend relief and from capital gains tax relief on the disposal of his VCT shares.

(iv) *The VCT Regulations 2004*

The VCT Regulations came into force on 17 October 2004. Under the VCT Regulations, monies raised by any further issue of shares by an existing VCT must be applied by that VCT for qualifying purposes. If any of the money raised (except for amounts which HM Revenue & Customs agrees are insignificant in the context of the whole issued ordinary share capital of the VCT) is used by the VCT to purchase its own shares then the funds may be deemed to not have been used for a qualifying purpose.

The above is only a summary of the tax position of individual investors in VCTs and is based on the Companies' understanding of current law and practice. Investors are recommended to consult a professional adviser as to the taxation consequences of their investing in a VCT. All tax reliefs referred to in this document are UK tax reliefs and are dependent on investee companies maintaining their VCT qualifying status.

Part IV – Definitions

Where used in this document the following words and expressions will, unless the context otherwise requires, have the following meanings:

"Act"	Companies Act 2006, as amended from time to time
"Admission"	admission of the Offer Shares to the premium segment of the Official List and to trading on the London Stock Exchange
"Adviser Charge"	fee, payable to an Intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in Offer Shares, and detailed on the Application Form
"AIM"	a sub market of the London Stock Exchange established in 1995 to provide a market for small, growing companies with greater regulatory flexibility than applies to the main market
"Annual Running Costs"	annual costs and expenses incurred by the Companies in the ordinary course of their business (including irrecoverable VAT and excluding performance-related management fees)
"Applicant"	a) an Investor who subscribes for Offer Shares pursuant to the Prospectus; and/or b) in relation to the Dividend Investment Schemes, a Shareholder participating in a Dividend Investment Scheme or, where a Shareholder holds Shares as nominee, the person, being the beneficial owner of the Shares registered in the name of that Shareholder, participating in a Dividend Investment Scheme
"Application Form"	form of application for Offer Shares under the Offers set out at the end of this document
"Articles"	articles of association of the Companies, as amended from time to time
"Business Day"	day (excluding Saturdays, Sundays and public holidays) on which clearing banks are open for normal banking business in the City of London
"BVCA"	British Private Equity and Venture Capital Association
"Company" or "Companies" or "Northern VCTs"	either individually or any combination of Northern Venture Trust, Northern 2 VCT or Northern 3 VCT
"CREST"	relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited (registered number 2878738)
"Directors" or "Boards"	directors of the Companies from time to time
"Dividend Investment Scheme(s)" or "Scheme(s)"	the respective dividend investment scheme for each Company as detailed in Part IV of the Registration Document, as amended from time to time
"Downing"	Downing LLP, which is authorised and regulated by the FCA (registered number OC341575, FCA number 545025)
"DTRs"	the Disclosure Rules and Transparency Rules made by the FCA under Part VI of FSMA
"Execution-only Transaction"	transaction executed by an FCA authorised firm upon the specific instructions of a client where the firm does not give advice or make a personal recommendation
"Existing Shares"	ordinary shares of 25p each in the capital of Northern Venture Trust issued as at the date of this document (ISIN: GB0006450703), ordinary shares of 5p each in the capital of Northern 2 VCT issued as at the date of this document (ISIN: GB0005356430), ordinary shares of 5p each in the capital of Northern 3 VCT issued as at the date of this document (ISIN: GB0031152027)
"FCA"	Financial Conduct Authority or its successor
"Fixed Income Securities"	investments made by the Companies which do not comprise Qualifying Investments, such as bank deposits, loan stock, preference shares and other debt instruments with a credit rating of at least A minus (Standard & Poor's) or A3 (Moody's) (both of which credit rating agencies are registered in the European Union) or equivalent in respect of preference shares and other debt instruments
"FSMA"	Financial Services and Markets Act 2000, as amended from time to time
"Initial Offer Price"	87.46p per Northern Venture Trust Offer Share, 85.28p per Northern 2 VCT Offer Share and 106.01p per Northern 3 VCT Offer Share, being the subscription price for Offer Shares at the date of this document, based on the NAV of each Company as at 30 June 2013, adjusted for dividends declared but not yet paid and grossed up for a Promoter's Fee of 3.5%
"Intermediary"	authorised firm who signs the Application Form and whose details are set out in Box 5 of the Application Form
"Investor"	subscriber of Shares
"ISDX"	trading facility operated by ICAP Securities and Derivatives Exchange Limited
"ITA"	Income Tax Act 2007, as amended from time to time
"Listed"	admitted to the premium segment of the Official List and to trading on the London Stock Exchange
"Listing Rules"	listing rules made by the FCA under Part VI of FSMA

"London Stock Exchange"	main market for listed securities of the London Stock Exchange plc (registered number 02075721)
"ML Regulations"	Money Laundering Regulations 2007, as amended from time to time
"NAV" or "Net Asset Value"	net asset value in pence per Share
"Northern 2 VCT"	Northern 2 VCT PLC
"Northern 2 VCT Offer"	offer for the subscription of Shares in the capital of Northern 2 VCT to raise up to £15,000,000 under the terms of the Prospectus
"Northern 3 VCT"	Northern 3 VCT PLC
"Northern 3 VCT Offer"	offer for the subscription of Shares in the capital of Northern 3 VCT to raise up to £20,000,000 under the terms of the Prospectus
"Northern Investors Company"	Northern Investors Company PLC
"Northern Venture Trust"	Northern Venture Trust PLC
"Northern Venture Trust Offer"	offer for the subscription of Shares in the capital of Northern Venture Trust to raise up to £15,000,000 under the terms of the Prospectus
"NVM", "Manager" or "NVM Private Equity"	NVM Private Equity Limited which is authorised and regulated by the FCA
"Offers"	Northern Venture Trust Offer, Northern 2 VCT Offer and Northern 3 VCT Offer
"Offer Price"	price paid by an Investor for Offer Shares
"Offer Shares"	ordinary shares of 25p each in the capital of Northern Venture Trust (ISIN: GB0006450703), ordinary shares of 5p each in the capital of Northern 2 VCT (ISIN: GB0005356430) or ordinary shares of 5p each in the capital of Northern 3 VCT (ISIN: GB0031152027) individually or collectively as appropriate, in each case subscribed for under the terms of the Offers (as the context dictates)
"Official List"	official list of the UK Listing Authority
"Pricing Formula"	mechanism by which the pricing of the Offers may be adjusted according to the latest published NAV, the level of the Promoter's Fee and Adviser Charge, as described on page 11 of this document
"Promoter"	Downing
"Promoter's Fee"	fee payable by the Companies to Downing, calculated as a percentage of each Applicant's gross subscription in the Offers in return for which Downing will pay the launch costs of the Offers
"Prospectus"	Securities Note, the Registration Document and the Summary, which together describe the Offers in full
"Prospectus Rules"	Prospectus Rules made under Part IV of FSMA
"Qualifying Company"	unquoted company carrying on a qualifying trade wholly or mainly in the United Kingdom and which satisfies certain other conditions as defined in Chapter 4, Part 6 of the ITA
"Qualifying Investment"	investment in an unquoted trading company, which comprises a qualifying holding for a VCT as defined in Chapter 4, Part 6 of the ITA
"Registrar"	Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA (registered number 06226088)
"Registration Document"	registration document which has been prepared in accordance with the Prospectus Rules in connection with the Offers
"RIS"	regulatory information service
"Securities Note"	this document, which has been prepared in accordance with the Prospectus Rules in connection with the Offers
"Shareholders"	holders of Shares
"Shares"	Existing Shares or Offer Shares, as the context may require
"Special Terms"	discounts on the Promoter's Fee given to Investors satisfying certain conditions as detailed in the contents page of this document
"Sponsor"	Howard Kennedy Corporate Services LLP
"Spouse"	spouse or civil partner
"Summary"	summary of the Offers which has been prepared in accordance with the Prospectus Rules in connection with the Offers
"Total Return"	sum of NAV and the cumulative dividends paid to Shareholders per Share
"UK Listing Authority"	FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
"VCT" or "Venture Capital Trust"	venture capital trust as defined in Section 259 of the ITA
"VCT Regulations"	the Venture Capital Trust (Winding Up and Mergers) (Tax) Regulations 2004, as amended from time to time

Part V – Additional information

1. Articles of Association

The Articles of each of the Companies include the following details of the rights attaching to the Shares unless stated.

(a) Dividends and distributions

- (i) The Company may in general meeting from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. If, in the Board's opinion, the Company's profits justify such payments, the Board may pay interim dividends on any class of Shares of such amounts and on such dates as they see fit. Provided that the Directors act in good faith, they shall not be liable for any loss the holders of such Shares may suffer as a consequence of such a payment.
- (ii) Unless otherwise provided all dividends shall be declared and paid pro rata to the nominal amounts of the Shares in respect of which the dividend is paid. Dividends shall be paid only from profits available for distribution. Subject to the provisions of the Act the profits and losses of the Company on a purchase of any asset, business or property previously bought by the Company (before or after the date of incorporation of the Company) may be treated for all purposes as profits and losses of the Company. Any dividend or interest payable in shares or securities purchased by the Company may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same. No dividend or other monies payable on Shares shall bear interest against the Company.
- (iii) The Directors may retain the dividends payable upon Shares in respect of which any person is entitled to become a member, or which any person is entitled to transfer, until such person shall become a member or shall transfer the Shares. A waiver of any dividend shall be effective only if such waiver document is signed by the Shareholder and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company. Payment by the Directors of any unclaimed dividend into a separate account shall not constitute the Company as a trustee in respect of the unclaimed amount. Any unclaimed dividend shall revert to the Company after a period of 12 years.
- (iv) Upon the recommendation of the Directors the Company may, in a general meeting declaring a dividend, direct payment of a dividend by distribution of specific assets. The Directors may settle any difficulty in this respect in a manner they think expedient and in particular may issue fractional certificates, may fix the value for distribution, may determine that cash payments shall be made in order to adjust the rights of all parties and may vest any such specific assets in trustees.
- (v) Any dividend or other distribution payable in respect of a Share may be paid by cheque sent by post to the registered address of the member, or such address as the member directs in writing. Every such cheque should be made payable to the member or the person the member directs in writing. Dividends may also be paid by transfer to a bank or building society or any other method the Directors consider appropriate. Every such cheque is sent at the risk of the person entitled to the money. If on two consecutive occasions cheques sent are returned undelivered or left uncashed the Company need not despatch further cheques until the member has notified the Company of the correct address or appropriate address. If two or more people are registered as joint holders of any Share any one of them may give effectual receipts for any dividend or other monies payable or properly distributable on or in respect of the Shares.
- (vi) The Directors, if so authorised by ordinary resolution, may offer the holders of Shares the right to receive further Shares instead of cash in respect of any dividend payment. The following provisions apply:
 - the resolution may specify a particular dividend, or all or any dividends declared or resolved in a specified period (such period may not end later than the next annual general meeting after the meeting at which such ordinary resolution is passed);
 - the value of the entitlement of each holder to new Shares shall be as nearly as possible equal to (but not in excess of) such cash amount of the dividend that such holder elects to forego;
 - if the Directors intend to offer an election in respect of a dividend, they shall announce that intention, and shall notify the holders in writing and specify the procedure;
 - the first 0.1 pence per share of the first dividend to be declared in each year shall not be subject to such election right but shall be payable in cash;
 - the Directors may specify a minimum number of Shares to which such election right may apply, no member may receive a fraction of a share and the Directors have discretion to deal with fractional entitlements as they think fit;
 - the Directors may exclude or restrict such election rights of any holders of Shares if they believe that this is necessary to comply with applicable laws or the requirement of any regulatory body or stock exchange;
 - a dividend shall not be payable on the Shares on which an election has been made and instead additional Shares shall be allotted to the holders of these Shares but the additional Shares

when allotted shall rank *pari passu* in all other respects with the fully paid Shares; and

- the Directors may do all things necessary or expedient to give effect to such capitalisation.

(b) Voting rights

- (i) Subject to the provisions of the Act, to any special terms as to voting in accordance with the Articles or certain legislation relating to uncertificated securities, on a show of hands every member who is present in person or by proxy at any general meeting of the Company shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every Share of which he is the holder.
- (ii) The instrument appointing a proxy shall be in writing. The proxy instrument shall be delivered to such address specified in the notice of the meeting not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting). Any proxy instrument that is not properly delivered shall be invalid. The proxy instrument shall be valid for any adjournment of the meeting for which the original proxy was intended. On a vote on a resolution on a show of hands, where a proxy has been appointed by more than one member, if the proxy has been instructed by one member to vote in favour and by another to vote against, the proxy has one vote for and one vote against. If the proxy has been instructed by more than one member to vote in one direction and by another to vote in accordance with his discretion, the proxy has one vote in one direction and may, at his discretion, cast another vote in the other direction.
- (iii) No member shall, unless the Board otherwise determines, be entitled to receive any dividend or to be present and to vote, either personally or by proxy, or to be reckoned in a quorum at any general meeting unless all calls or other sums payable by him in respect of Shares have been paid.

(c) Variation of rights

The special rights attached to any class of Shares having preferential rights shall not, unless otherwise expressly stated, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with them but in no respect in priority to them.

(d) Alteration of capital

- (i) Any fractions of Shares as a result of a consolidation or division of Shares may be sold to any person (including the Company) and the net proceeds of sale shall be distributed among those members or the Company (as appropriate).
- (ii) Where the Company may purchase its own shares, neither the Company nor the Directors are required to select the shares to be purchased rateably or in any other particular manner as between the holders of the same class or as between them and the holders of another class or in accordance with rights as to dividends or capital conferred by any class of shares.

(e) Transfer of Shares

- (i) The instrument of transfer of a Share may be in any usual or common form or in any other form that the Board may approve and may be under hand only and such instruments shall be signed by or on behalf of the transferor and, in the case of a partly paid Share, the transferee. The transferor shall remain the holder of the Shares until the name of the transferee is entered in the register of members.
- (ii) The Directors may refuse to register a transfer of Shares in favour of more than four persons jointly.
- (iii) The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of one class of Share, has been lodged at the transfer office accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require. In the case of a transfer by a recognised clearing house or certain nominees, the lodgement of a share certificate may not be necessary. All instruments of transfer that are registered may be retained by the Company.
- (iv) No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or other such documentation relating to or affecting title to shares.
- (v) The Company shall be entitled to destroy instruments of transfer which have been registered after six years from the date of registration.

2. Investor Profile

A typical investor is expected by the Directors to be an individual (not a corporate entity), who is aged 18 or over and pays UK income tax and who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and shareholdings in listed companies. The individual should be willing to invest over the long term and be comfortable with higher risk investments, such as unquoted company shares. Such an individual is often classified as "retail" and may also be sophisticated. The investor should either have experience of such investments and/or seek advice from an appropriate Intermediary.

3. Overseas Investors

- (a) No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an Offer or invitation to him to subscribe for or purchase Offer Shares unless, in such territory, such offer or invitation could lawfully be made.
- (b) No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All Applicants will be required to warrant that they are not a US person as defined in paragraph 5(w) of Part VI of this document or a resident of Canada, Australia, the Republic of South Africa, Republic of Ireland or Japan.

4. General

- (a) The Companies are sponsored by the Sponsor, which is authorised and regulated by the Financial Conduct Authority, and whose principal place of business is 19 Cavendish Square, London W1A 2AW. The promoter of the Offers is Downing, which is authorised and regulated by the Financial Conduct Authority and whose principal place of business is 10 Lower Grosvenor Place, London SW1W 0EN. The Companies' Registrar is Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA.
- (b) Whilst there are no squeeze-out and sell out rules relating to the Shares in the Articles, Shareholders will be subject to the compulsory acquisition provisions of Sections 974 to 991 of the Act.
- (c) In respect of Northern Venture Trust, by an ordinary resolution passed on 18 July 2013, in addition to the power granted at the previous annual general meeting of Northern Venture Trust in that regard (save to the extent relied upon prior to the passing of the resolution), the directors of Northern Venture Trust were generally and unconditionally authorised for the purposes of Section 551 of the Act to allot Shares and to grant rights to subscribe for or convert any security into Shares up to an aggregate nominal value of £5,000,000 during the period expiring on the earlier of the next annual general meeting or 31 March 2014 (Northern Venture Trust may before such expiry make an offer or agreement which would or might require Shares to be allotted after such expiry and the Directors may allot Shares in pursuance of such offer or agreement notwithstanding that the authority conferred by the resolution has expired). By a special resolution passed on 18 July 2013, in substitution for and to the exclusion of any power previously conferred upon the directors of Northern Venture Trust in that regard (save to the extent relied upon prior to the passing of that resolution), the Directors were authorised to allot equity securities (as defined in Section 560 of the Act) and to sell equity securities which, immediately before the sale, are held by Northern Venture Trust as treasury shares, in each case as if Section 561(1) of the Act did not apply to such allotment or sale provided that the power conferred by that resolution shall be limited to the allotment or sale of equity shares up to an aggregate nominal value of £5,000,000 and shall expire on the earlier of the next annual general meeting or 31 March 2014, save that Northern Venture Trust may before such power expires, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after the power expires.
- (d) In respect of Northern 2 VCT by an ordinary resolution passed on 19 July 2013, in substitution for and to the exclusion of any power previously conferred upon the directors of Northern 2 VCT in that regard (save to the extent relied upon prior to the passing of the resolution), the Directors were generally and unconditionally authorised for the purposes of Section 551 of the Act to allot Shares and to grant rights to subscribe for or convert any security into Shares up to an aggregate nominal value of £1,423,124 during the period expiring on the earlier of the next annual general meeting or 30 September 2014 (Northern 2 VCT may before such expiry make an offer or agreement which would or might require Shares to be allotted after such expiry and the Directors may allot Shares in pursuance of such offer or agreement notwithstanding that the authority conferred by the resolution has expired). By a special resolution passed on 19 July 2013, in substitution for and to the exclusion of any power previously conferred upon the directors of Northern 2 VCT in that regard (save to the extent relied upon prior to the passing of that resolution), the Directors were authorised to allot equity securities (as defined in Section 560 of the Act) and to sell equity securities which, immediately before the sale, are held by Northern 2 VCT as treasury shares, in each case as if Section 561(1) of the Act did not apply to such allotment or sale provided that the power conferred by that resolution shall be limited to the allotment or sale of equity shares up to an aggregate nominal value of £1,423,124 and shall expire on the earlier of the next annual general meeting or 30 September 2014, save that Northern 2 VCT may before such power expires, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after the power expires.

- (e) In respect of Northern 3 VCT by an ordinary resolution passed on 17 July 2013, in substitution for and to the exclusion of any power previously conferred upon the directors of Northern 3 VCT in that regard (save to the extent relied upon prior to the passing of the resolution), the Directors were generally and unconditionally authorised for the purposes of Section 551 of the Act to allot Shares and to grant rights to subscribe for or convert any security into Shares up to an aggregate nominal value of £1,341,591 during the period expiring on the earlier of the next annual general meeting or 30 September 2014 (Northern 3 VCT may before such expiry make an offer or agreement which would or might require Shares to be allotted after such expiry and the Directors may allot Shares in pursuance of such offer or agreement notwithstanding that the authority conferred by the resolution has expired). By a special resolution passed on 17 July 2013, in substitution for and to the exclusion of any power previously conferred upon the directors of Northern 3 VCT in that regard (save to the extent relied upon prior to the passing of that resolution), the Directors were authorised to allot equity securities (as defined in Section 560 of the Act) and to sell equity securities which, immediately before the sale, are held by Northern 3 VCT as treasury shares, in each case as if Section 561(1) of the Act did not apply to such allotment or sale provided that the power conferred by that resolution shall be limited to the allotment or sale of equity shares up to an aggregate nominal value of £1,341,591 and shall expire on the earlier of the next annual general meeting or 30 September 2014, save that Northern 3 VCT may before such power expires, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after the power expires.
- (f) The Shares are created under the Act, are denominated in sterling and are in registered form. The Companies' share registers are kept by Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA. Evidence of title to Shares will be through possession of a share certificate in the Shareholder's name; alternatively, Shares may be held in an account through the CREST system.
- (g) No tax is withheld on dividends paid, and the Companies do not assume responsibility for the same.
- (h) The maximum number of Offer Shares, assuming all investors are existing Northern VCT Shareholders, and all apply before 30 September 2013, namely 17,417,061, 17,861,482 and 19,159,335 for Northern Venture Trust, Northern 2 VCT and Northern 3 VCT respectively will represent a dilution of 19%, 19% and 28% per cent respectively to existing shareholders in the relevant company.
- (i) The Companies are not aware of any persons who, directly or indirectly, exercise or could exercise control over the Companies.

5. Working Capital of the Companies

Northern Venture Trust, Northern 2 VCT and Northern 3 VCT are each of the opinion that they individually have sufficient working capital for their present requirements (that is, for at least 12 months following the date of this document).

6. Statement of Capitalisation and Indebtedness

Northern Venture Trust

The table set out below shows the unaudited capitalisation of Northern Venture Trust as at 30 June 2013 (extracted from the unaudited interim management information of Northern Venture Trust for the period ended 30 June 2013).

	£'000
Shareholders' equity	
Share capital	18,968
Share premium	13,993
Other reserves	36,173
	69,134

Other reserves in the table above include both realised and unrealised capital reserves as at 30 June 2013 but do not include revenue reserves. There has been no material change in the capitalisation of Northern Venture Trust since 30 June 2013.

The table set out below shows the unaudited gross indebtedness of Northern Venture Trust as at 30 June 2013 (extracted from the unaudited interim management information of Northern Venture Trust for the period ended 30 June 2013).

	£'000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
	-

The following table shows Northern Venture Trust's unaudited net indebtedness as at 30 June 2013.

	£'000
A Cash	13,220
B Cash equivalents	-
C Trading securities	-
D Liquidity (A+B+C)	13,220
E Current financial receivable	-
F Current bank debt	-
G Current position of non-current debt	-
H Other current financial debt	-
I Current financial debt (F+G+H)	-
J Net current financial indebtedness (I-E-D)	(13,220)
K Non-current bank loans	-
L Bonds issued	-
M Other non-current loans	-
N Non-current financial indebtedness (K+L+M)	-
O Net financial indebtedness (J+N)	(13,220)

There is no indirect nor contingent indebtedness.

Northern 2 VCT

The table set out below shows the unaudited capitalisation of Northern 2 VCT as at 30 June 2013 (extracted from the unaudited interim management information of Northern 2 VCT for the period ended 30 June 2013).

	£'000
Shareholders' equity	
Share capital	3,726
Share premium	28,089
Other reserves	30,898
	62,713

Other reserves in the table above include both realised and unrealised capital reserves as at 30 June 2013 but do not include revenue reserves. There has been no material change in the capitalisation of Northern 2 VCT since 30 June 2013.

The table set out below shows the unaudited gross indebtedness of Northern 2 VCT as at 30 June 2013 (extracted from the unaudited interim management information of Northern 2 VCT for the period ended 30 June 2013).

	£'000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-

The following table shows Northern 2 VCT's unaudited net indebtedness as at 30 June 2013.

	£'000
A Cash	16,792
B Cash equivalents	-
C Trading securities	-
D Liquidity (A+B+C)	16,792
E Current financial receivable	-
F Current bank debt	-
G Current position of non-current debt	-
H Other current financial debt	-
I Current financial debt (F+G+H)	-
J Net current financial indebtedness (I-E-D)	(16,792)
K Non-current bank loans	-
L Bonds issued	-
M Other non-current loans	-
N Non-current financial indebtedness (K+L+M)	-
O Net financial indebtedness (J+N)	(16,792)

There is no indirect nor contingent indebtedness.

Northern 3 VCT

The table set out below shows the unaudited capitalisation of Northern 3 VCT as at 30 June 2013 (extracted from the unaudited interim management information of Northern 3 VCT for the period ended 30 June 2013).

	£'000
Shareholders' equity	
Share capital	2,409
Share premium	3,220
Other reserves	44,286
	49,915

Other reserves in the table above include both realised and unrealised capital reserves as at 30 June 2013 but do not include revenue reserves. There has been no material change in the capitalisation of Northern 3 VCT since 30 June 2013.

The table set out below shows the unaudited gross indebtedness of Northern 3 VCT as at 30 June 2013 (extracted from the unaudited interim management information of Northern 3 VCT for the period ended 30 June 2013).

	£'000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-

The following table shows Northern 3 VCT's unaudited net indebtedness as at 30 June 2013.

	£'000
A Cash	5,321
B Cash equivalents	-
C Trading securities	-
D Liquidity (A+B+C)	5,321
E Current financial receivable	-
F Current bank debt	-
G Current position of non-current debt	-
H Other current financial debt	-
I Current financial debt (F+G+H)	-
J Net current financial indebtedness (I-E-D)	(5,321)
K Non-current bank loans	-
L Bonds issued	-
M Other non-current loans	-
N Non-current financial indebtedness (K+L+M)	-
O Net financial indebtedness (J+N)	(5,321)

There is no indirect nor contingent indebtedness.

7. Information Sourced from Third Parties

Certain information in this document has been sourced from third parties and the Companies confirm that this information has been accurately reproduced and, as far as the Companies are aware and able to ascertain from information published by those parties respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

8. Use of the Prospectus

- (a) The Companies and the Directors consent to the use of the Prospectus for, and accept the responsibility for the content of the Prospectus, with respect to, the subsequent resale or final placement of securities by financial intermediaries. The period within which such consents to use the Prospectus is given begins with the date of the Prospectus and ends on the close of the Offers. The Offers are expected to close on or before 30 April 2014, unless previously extended to a date not being later than 30 July 2014. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.
- (b) Information on the terms and conditions of the Offers will be given to investors by financial intermediaries at the time that the offers are introduced to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in paragraph 8(a) above

31 July 2013

Part VI – Terms and conditions of application

1. In these Terms and Conditions of Application, the expression “Prospectus” means this document, the Registration Document and the Summary, each dated 31 July 2013. The expression “Application Form” means the application form for use in accordance with these Terms and Conditions of Application. Save where the content requires otherwise, the terms used in the Application Form bear the same meaning as in the Prospectus.
 2. The right is reserved to reject any application or to accept any application in part only. Multiple applications are permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is scaled back or if in any other circumstances there is an excess payment in relation to an application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest by post at the risk of the Applicant. In the meantime application monies will be retained in the relevant Company’s account with Bank of Scotland plc for Northern Venture Trust, and Barclays Bank PLC for Northern 2 VCT or Northern 3 VCT.
 3. You may pay for your application for Offer Shares by cheque or banker’s draft submitted with the Application Form.
 4. The contract created by the acceptance of applications under the Offers will be unconditional.
 5. By completing and delivering an Application Form, you:
 - (a) offer to subscribe the amount specified on your Application Form or any smaller amount for which such application is accepted at a price as determined by the Pricing Formula subject to the Prospectus, these Terms and Conditions of Application, the Memorandum of Association of the relevant Company and the Articles;
 - (b) authorise your Intermediary, or whoever he or she may direct, the Registrar or the relevant Company to send a document of title for, or credit your CREST account in respect of, the number of Offer Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address as set out on your Application Form;
 - (c) in consideration of the Companies agreeing that they will not, prior to the Offers closing, offer any Offer Shares for subscription to any persons other than as set out in the Prospectus, agree that your application may not be revoked and that this paragraph constitutes a collateral contract between you and the applicable Company which will become binding upon despatch by post or delivery of your duly completed Application Form to the applicable Company or to your financial adviser;
 - (d) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a share certificate or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Companies (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Companies of such late payment in respect of such Offer Shares, the Companies may (without prejudice to its other rights) treat the agreement to allot such Offer Shares as void and may allot such Offer Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Offer Shares (other than return of such late payment at your risk and without interest);
 - (e) agree that all cheques and banker’s drafts may be presented for payment on the due dates and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the ML Regulations and that such monies will not bear interest;
 - (f) undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Companies and the Sponsor) to ensure compliance with the ML Regulations;
 - (g) agree that, in respect of those Offer Shares for which your application has been received and processed and not rejected, acceptance of your application shall be constituted by the relevant Company instructing the Registrar or the company secretary to enter your name on the share register;
 - (h) agree that all documents in connection with the Offers and any returned monies will be sent at your risk and may be sent to you at your address as set out in the Application Form;
- (i) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations including the risk factors and investment considerations contained therein;
 - (j) confirm that (save for advice received from your financial adviser) in making such application you are not relying on any information and representation other than those contained in the Prospectus or any supplementary prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
 - (k) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offers shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Companies to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
 - (l) irrevocably authorise the Companies, the Registrar or NVM or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Companies, the Registrar or NVM to execute any documents required therefore and to enter your name on the register of members of the relevant Company;
 - (m) agree to provide the Companies with any information which it may request in connection with your application or to comply with the VCT regulations or other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;
 - (n) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Companies, NVM or the Sponsor acting in breach of the regulatory or legal requirements of any territory in connection with the Offers or your application;
 - (o) confirm that you have read and complied with paragraph 6 below;
 - (p) confirm that you have reviewed the restrictions contained in paragraph 7 below;
 - (q) warrant that you are not under the age of 18 years;
 - (r) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, warrant that you have complied with all such laws and none of the Companies, NVM, Downing or the Sponsor or any of their respective agents will infringe any laws of any such territory or jurisdiction directly or indirectly as a result or in consequence of any acceptance of your application;
 - (s) agree that NVM, Downing and the Sponsor are acting for the Companies in connection with the Offers and for no one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Offer Shares or concerning the suitability of Offer Shares for you or be responsible to you for the protections afforded to their customers;
 - (t) warrant that if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
 - (u) warrant that you are not subscribing for the Offer Shares using a loan which would not have been given to you or any associate, or not given to you on such favourable terms, if you had not been proposing to subscribe for the Offer Shares;
 - (v) warrant that the Offer Shares are being acquired by you for *bona fide* investment purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax. Obtaining tax reliefs given under the applicable VCT legislation is not of itself tax avoidance;
 - (w) warrant that you are not a “US person” as defined in the United States Securities Act of 1933 (as amended) nor a resident of Canada and that you are not applying for any Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US person or resident of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan;
 - (x) warrant that the information contained in the Application Form is accurate; and

- (y) agree that if you request that Offer Shares are issued to you on a date other than 4 April 2014 in respect of the 2013/14 tax year or 30 April 2014 in respect of the 2014/15 tax year and such Offer Shares are not issued on such date that the Companies, the Sponsor, and the Companies' agents and Directors will have no liability to you arising from the issue of such Offer Shares on a different date.
6. No person receiving a copy of the Prospectus, or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. The Companies are not managed by an alternative investment fund manager authorised in accordance with the Alternative Investment Fund Managers Directive and accordingly no offer is being made in any member state of the European Economic Area other than the United Kingdom. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any of the formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
7. The Offer Shares have not been and will not be registered under the United States Securities Act 1933, as amended, or under the securities laws of any state or other political subdivision of the United States, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager will not be registered under the United States Investment Adviser Act of 1940 (as amended). No application will be accepted if it bears an address in the USA.
8. The application is addressed to the Companies and the Sponsor. The rights and remedies of the Companies and the Sponsor under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of others.
9. The dates and times referred to in these Terms and Conditions of Application may be altered by the Companies with the agreement of the Sponsor.
10. Authorised Intermediaries who have not provided personal recommendations on the Offer Shares and who, acting on behalf of their clients, return valid Application Forms bearing their stamp and FCA number will be entitled to commission on the amount payable in respect of the Offer Shares allocated for each such Application Form at the rates specified in the paragraph headed "Commission" in Part I of this document. Authorised Intermediaries may agree to waive part or all of their initial commission in respect of an application. If this is the case, then such application will be treated as an application to subscribe for the sum stated in box number 2 of the Application Form together with a number of additional Offer Shares equivalent to the amount of commission waived. NVM or the Registrar is accordingly authorised to amend such box number 2. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.
11. Authorised Intermediaries whose client has agreed an Adviser Charge and requested the Companies to facilitate the payment of that Adviser Charge out of his or her subscription monies and who return valid Application Forms bearing their stamp and FCA Number will be entitled to payment of the Adviser Charge specified on the Application Form. Intermediaries should keep a record of Application Forms submitted bearing their Stamp to substantiate any claim for their Adviser Charge.
12. The section headed Notes on Application Form forms part of these Terms and Conditions of Application.
13. It is a condition of the Offers to ensure compliance with the ML Regulations. NVM is therefore entitled to require, at its absolute discretion, verification of identity from any Applicant including, without limitation, any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the Applicant or (ii) appears to NVM to be acting on behalf of some other person. Pending the provision of evidence satisfactory to NVM as to the identity of the Applicant and/or any person on whose behalf the Applicant appears to be acting, NVM may, in its absolute discretion, retain an Application Form lodged by an Applicant and/or the cheque or other remittance relating thereto and/or the Registrar may not enter the Applicant on the register of members or issue any share certificates in respect of such application. If verification of identity is required, this may result in delay in dealing with an application and in rejection of the application. The Companies reserve the right, in their absolute discretion, for them or NVM to reject any application in respect of which NVM considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Companies reserve the right in their absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the money payable or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which such sums were originally debited) and/or to endeavour to procure other subscribers for the Shares in question (but in each case without prejudice to any rights the Companies may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute an undertaking by the Applicant to provide promptly to NVM such information as may be specified by it as being required for the purpose of the ML Regulations.
14. The right is also reserved to treat as valid and binding any application not complying fully with these Terms and Conditions of Application or not in all respects complying with the Notes on Application Form. In particular, but without limitation, the Companies may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner acceptable to the Companies to apply in accordance with these Terms and Conditions of Application.



Northern Venture Trust PLC, Northern 2 VCT PLC and Northern 3 VCT PLC

Application Form

Please pin or staple your
cheque(s) here

The closing date for the 2013/14 Offers will be 3.00pm on Friday 4 April 2014 and for the 2014/15 Offers will be 3.00pm on Wednesday 30 April 2014 (unless extended or fully subscribed earlier)

Make your cheque(s) or banker's draft(s) payable to "Northern Venture Trust PLC" if you are investing in Northern Venture Trust PLC and/or "Northern 2 VCT PLC" if you are investing in Northern 2 VCT PLC and/or "Northern 3 VCT PLC" if you are investing in Northern 3 VCT PLC and return this form as soon as possible to NVM Private Equity Limited, Northumberland House, Princess Square, Newcastle upon Tyne NE1 8ER.

1	Existing Northern VCT Shareholder? (Y/N)		
	Title and full name		
Permanent address			
Postcode		Email address	
Tel (day)		Tel (evening)	
Date of birth		National Insurance no.	

2	I am applying for Offer Shares as follows:		
	Column A 2013/14 tax year	Column B 2014/15 tax year	Column C Total
Northern Venture Trust PLC	£	£	£
Northern 2 VCT PLC	£	£	£
Northern 3 VCT PLC	£	£	£
TOTAL	£	£	£ <small>Min £6,000</small>

or such lesser sum for which this application may be accepted on the terms and conditions of application set out in Part VI of this document. Please send me a certificate(s) confirming my entitlement to VCT tax reliefs.

3	Reallocation/return instructions – please tick the appropriate box (i), (ii) or (iii)		Please tick one box (✓)
	In the event that one or more of the Offers for which I have applied has/have closed by the time my Application Form is processed, then I hereby request that the sums subscribed in respect of these closed Offers are processed as follows:		
(i) Invested equally in any Offer(s) which has/have not yet closed and for which I have applied in Box 2 above, unless all the Offers I have applied for are closed, in which case option (ii) below will apply;		OR	<input type="checkbox"/>
(ii) Invested equally in any Offer(s) which has/have not yet closed, irrespective of whether I applied for it/them in Box 2 above;		OR	<input type="checkbox"/>
(iii) My subscription cheque(s) for the closed Offer(s) is/are to be returned to me, as I do not wish the sum(s) subscribed to be reallocated as in option (i) or (ii) above.			<input type="checkbox"/>

If I have not ticked either box 3 (i), (ii) or (iii) above, I hereby request that the sums I have subscribed in respect of the closed Offers are processed as in option 3 (ii) above.

4	Investment type – please tick the appropriate box (i), (ii), or (iii)		Please tick one box (✓)
	(i) Advised: You have been advised on this investment by an Intermediary – please complete the Adviser Charge box below, if applicable, and ensure Section 5 is completed by your Intermediary.		
Adviser Charge			
If you have agreed an Adviser Charge with your Intermediary and request that the Companies pay that fee, please insert the fee amount in this box. Please note that the number of Offer Shares issued to you will be reduced by the Adviser Charge. This payment is inclusive of VAT, if applicable.		<input style="width: 100px; height: 20px;" type="text"/>	State as either a sum of money in £ or as a % of the total amount invested in Box 2 column C above.
(ii) Execution only: This investment is being processed through your Intermediary who is not providing you with advice – please leave the rest of this section blank and ensure Section 5 is completed by your Intermediary.			<input type="checkbox"/>
(iii) Direct – No Intermediary: This is a direct investment (i.e. you are not submitting this application through an intermediary) – please go to Section 6.			<input type="checkbox"/>

5**TO BE COMPLETED BY FCA AUTHORISED INTERMEDIARIES ONLY**

Contact name: (for administration)			
Intermediary name:			
Firm name:			
Address:			
Postcode:		Tel:	
FCA No:		Email:	
If you are permitted to receive commission in respect of this application in compliance with COBS 6.1A of the FCA Handbook, please tick the appropriate box and supply the reasons where necessary.	Execution only basis (tick box):		
	Other (tick box and specify reason):		
Tick this box if the Adviser Charge stated in box 4 has been agreed with your client and complies with COBS 6.1A of the FCA Handbook.			

Please provide details of your bank or building society account so that commission or the Adviser Charge (as applicable) can be paid via BACS.			
Name of bank/building society:			
Branch:			
Account name:			
Sort code:	<input type="text"/>	Account number: (please quote all digits and zeros)	<input type="text"/>
Email address for commission statements:			
Signed:		Position:	

The Companies, Downing, the Sponsor and NVM do not accept responsibility if any details provided by you are incorrect.

6

BY SIGNING THIS FORM I HEREBY DECLARE THAT: (i) I have read the enclosed Terms and conditions of application of the Prospectus dated 31 July 2013 and agree to be bound by them; (ii) I will be the beneficial owner of the Offer Shares in Northern Venture Trust PLC and/or Northern 2 VCT PLC and/or Northern 3 VCT PLC issued to me pursuant to this application; (iii) I have agreed the above Adviser Charge (if any) with my Intermediary and request that the Companies pay that fee; and (iv) to the best of my knowledge and belief, the particulars I have given to Northern Venture Trust PLC and/or Northern 2 VCT PLC and/or Northern 3 VCT PLC are correct.

If this form is completed and signed by an Intermediary or any other person apart from the Investor:

By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs (i) to (iv) above.

HM Revenue & Customs may inspect this application form. It is a serious offence to make a false declaration.

Signature

Date

 / /
7**CREST**

Complete this box only if you require your Shares to be issued electronically to a CREST account.

CREST Participant ID:	
CREST Member Account ID:	
Participant name:	
Participant address:	
Participant postcode:	
Contact name for CREST queries:	
Contact telephone:	
Signed:	

The Companies, Downing, the Sponsor and NVM do not accept responsibility if any details provided by you are incorrect.

Notes on Application Form

Before making an application to acquire Offer Shares you are strongly recommended to consult and obtain advice from an appropriate financial Intermediary authorised under the Financial Services and Markets Act 2000. It is essential that you complete all parts of the Application Form in accordance with the instructions in these notes. Please send the completed Application Form, together with your cheque(s) or banker's draft(s) by post, or deliver it by hand, to NVM Private Equity, Northumberland House, Princess Square, Newcastle upon Tyne NE1 8ER. If you have any questions on how to complete the Application Form please contact NVM on 0191 244 6000 or your Intermediary.

The following notes should be read in conjunction with the Application Form and the Terms and Conditions of Application.

1

Please indicate at the top right whether you or your Spouse is an existing shareholder in a VCT managed by NVM.

Insert in Box 1 in BLOCK CAPITALS your full name, permanent address, daytime and evening telephone numbers, date of birth, National Insurance number and, if you have one, your email address. Joint applications are not permitted.

2

Insert (in figures) in Column A the total amount you wish to invest under the Offers in respect of the 2013/14 tax year for each Company (state nil if appropriate). Insert (in figures) in Column B the amount you wish to invest under the Offers in respect of the 2014/15 tax year for each Company (state nil if appropriate). Insert (in figures) the total of Columns A and B in Column C. This is the total amount you are applying for under the Offers.

Please note that the minimum investment for Offer Shares is a combined total of £6,000 across all three Companies. You may apply for Offer Shares in any or all of the Companies so long as the total value of the Offer Shares applied for is not less than £6,000. The maximum investment on which tax reliefs on investments in VCTs is available is £200,000 in each of the 2013/14 and 2014/15 tax years.

You are requested to write separate cheques for your subscription to each Company. You may post-date your cheque(s) to 6 April 2014 in respect of any amounts in Column B for the 2014/15 tax year.

Attach your cheque(s) or banker's draft(s) to the Application Form for the exact amount(s) shown in Column C. Your cheque(s) or banker's draft(s) must be made payable to "Northern Venture Trust PLC" in respect of subscriptions in Northern Venture Trust, "Northern 2 VCT PLC" in respect of subscriptions in Northern 2 VCT and/or "Northern 3 VCT PLC" in respect of subscriptions in Northern 3 VCT, and crossed "A/C Payee only". Your payment must relate solely to this application. No receipt will be issued.

No money laundering verification is required to be enclosed if the application is for less than £12,000 or if payment is by means of a cheque drawn on an account in the name of the Applicant (provided that (a) the cheque includes details of the Applicant's bank account or building society account (as applicable) and (b) the cheque is drawn on a UK or European Union authorised bank or credit institution). Please note, however, that NVM may, in its absolute discretion, require Money Laundering verification and that Money Laundering verification will be required by introducing financial advisers.

Money Laundering

If the application is for £12,000 or more and payment is not by means of a cheque drawn on an account in the name of the Applicant, please supply:

(a) an Identity Verification Certificate from your authorised Intermediary.

or

(b) (i) a copy of your passport or driving licence certificated by a bank or solicitor stating that it is a "true copy of the original and a true likeness of the client" followed by your name; AND

(ii) a recent (no more than three months old) original bank or building society statement, or utility bill, or recent tax bill, in your name.

3

In case any of the Offers applied for are closed, tick the relevant box to give instructions as to the action that will be taken with any remaining subscription. The tax year of application will remain unchanged. If you do not tick any of the boxes and any of the Offers applied for are closed, then the sums subscribed in respect of these closed Offers will be invested equally across all remaining open Offers.

4

Please tick the relevant box to identify the type of investment you are making – Advised, Execution-only, or Direct. Intermediaries on Advised Investments are entitled to the payment of Adviser Charges agreed with their clients. Please insert the agreed fee in the box (either as a sum of money or a percentage of the amount invested in Box 2, Column C). The number of Offer Shares issued to the Applicant will be reduced by the amount of the Adviser Charge as well as the Promoter's Fee as set out in the Pricing Formula on page 11. The Adviser Charge is inclusive of VAT, if applicable.

5

To be completed by Intermediaries only. Intermediaries who are entitled to receive commission or an Adviser Charge should stamp and complete the agent's box, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of commission or Adviser Charges if the Companies are, at their sole discretion, not satisfied that the agent is so authorised and entitled, or consider that payment of such commission is or may be in breach of any applicable rules or regulations. In order for commission or Adviser Charges to be paid by BACs, please complete the relevant boxes.

6

Read the declaration, sign where indicated and enter the date. If someone other than the Applicant named in Section 1 signs on the Applicant's behalf, such signatory must ensure that the declaration given on behalf of such Applicant is correct.

7

Leave blank if you wish to receive a share certificate in respect of your investment. If you require your Shares to be issued electronically to a CREST account, please complete the boxes.

Northern Venture Trust PLC
Northern 2 VCT PLC
Northern 3 VCT PLC

Northumberland House
Princess Square
Newcastle upon Tyne NE1 8ER

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