

**The Companies Act 2006
Company Limited by Shares
Baronsmead VCT 3 Plc
(Registered Company Number: 04115341)**

NOTICE OF SPECIAL BUSINESS

At an Annual General Meeting of the above named company, duly convened and held at 10 Paternoster Square, London EC4M 7LS on 11 April 2012 the following resolutions were passed, Resolution 8 as an Ordinary Resolution and Resolutions 9 to 11 as Special Resolutions.

8. THAT, in substitution for all subsisting authorities to the extent unused, the directors of the Company be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,799,926 during the period commencing on the passing of this resolution and expiring on the fifth anniversary of the date of the passing of this resolution (unless previously revoked, varied, renewed or extended by the Company in general meeting), but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the directors of the Company shall be entitled to allot shares or grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

9. THAT, subject to the passing of resolution 8 set out in the notice of this meeting, the directors of the Company be and are hereby empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of the Act) including the grant of rights to subscribe for or to convert any security into shares of the Company, for cash pursuant to the authority conferred by resolution 8 set out in the notice of this meeting, and to sell equity securities held by the Company as treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment and sales of equity securities, provided that this power shall be limited to:

(a) the allotment of equity securities up to an aggregate nominal amount representing 10 per cent. of the issued share capital of the Company (excluding treasury shares) pursuant to one or more offers for subscription;

(b) the allotment of equity securities up to an aggregate nominal amount representing 10 per cent. of the issued share capital of the Company (excluding treasury shares) from time to time which may be issued at a discount to NAV pursuant to any dividend reinvestment scheme operated by the Company; and

(c) the allotment of equity securities (otherwise than pursuant to sub-paragraphs (a) and (b) above) up to an aggregate nominal amount representing 10 per cent. of the issued share capital of the Company (excluding treasury shares) from time to time which may be at a discount to NAV; and

in each case where such proceeds of issue may be used to purchase shares in the Company and the power conferred by this resolution shall expire on the date falling 15 months after the date of the passing of this resolution (unless previously revoked, varied, renewed or extended by the Company in general meeting) or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2013, except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred by this resolution had not expired.

10. THAT in substitution for the Company's existing authority to make market purchases, the Company be and hereby is empowered to make market purchases within the meaning of section 693(4) of the Companies Act 2006 (the "Act") of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the directors of the Company shall from time to time determine, provided that:

(a) the aggregate number of Ordinary Shares which may be purchased shall not exceed 14.99% of the Company's Ordinary Shares in issue at the date of the Annual General Meeting, excluding any Ordinary Shares held in treasury (equivalent to 8,993,630 Ordinary Shares at 17 February 2012, the date of this Notice of Annual General Meeting);

(b) the minimum price which may be paid for an Ordinary Share is the nominal value thereof of 10 pence;

(c) the maximum price which may be paid for an Ordinary Share is an amount equal to the higher of (i) an amount equal to 105 per cent. of the average of the middle market quotation for an Ordinary Share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such Ordinary Share is to be purchased; and (ii) the amount stipulated by Article 5(1) of the Buyback and Stabilisation Regulation 2003;

(d) the authority conferred by this resolution shall expire on the date falling 15 months after the date of the passing of this resolution or, if earlier, the conclusion of the annual general meeting to be held in 2013, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such Ordinary Shares pursuant to such contract as if the power conferred by this resolution had not expired.

11. THAT a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next annual general meeting of the Company's website, www.baronsmeadvct3.co.uk.