

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult an appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) immediately. If you have sold or transferred all your Ordinary Shares in the Company, please forward this Circular together with the Form of Proxy to the purchaser, transferee, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Notice of a General Meeting of the Company to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS at 2.00pm on Thursday 20 December 2018 is set out on pages 3 to 5 of the Circular. A Form of Proxy for use at the meeting is attached. To be valid, Forms of Proxy should be completed and returned in accordance with the notes to the Notice of General Meeting and the Form of Proxy itself.

# **Northern 3 VCT PLC**

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Registered office: Time Central, 32 Gallowgate, Newcastle upon Tyne NE1 4SN

T 0191 244 6000 F 0191 244 6001 E n3vct@nvm.co.uk

Registered in England no 4280530

Directors:

27 November 2018

James Ferguson, *Chairman*

Chris Fleetwood

Tim Levett

John Waddell

Dear Shareholder

## **NOTICE OF GENERAL MEETING**

### **Introduction**

Further to the Company's announcement on 23 November 2018, I am pleased to be writing to you with further details of the Company's proposed non-prospectus, top-up offer of new Ordinary Shares for subscription (the "Offer"), made in conjunction with Northern Venture Trust PLC and Northern 2 VCT PLC (together with the Company, the "Northern VCTs"), and to give notice of the Company's General Meeting to obtain shareholder authority to issue Ordinary Shares pursuant to the Offer, which will take place at 2.00pm on Thursday 20 December 2018 at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS. The Notice of General Meeting is set out on pages 3 to 5 of this document, which includes a map showing the location of the offices of Reed Smith LLP.

The purpose of this document is to set out the background to and reasons for the Offer and the Resolutions which are to be proposed at the General Meeting, and to explain why the Directors consider them to be in the best interests of the Company and Shareholders and recommend that you vote in favour of the Resolutions.

The Northern VCTs have delivered attractive long-term performance to shareholders since their establishment. The Northern VCTs last conducted a significant fund-raising in September 2017, when a total of £60 million was subscribed by investors. Since that fund-raising, the Northern VCTs have used the funds to carry on an active programme of new investment, whilst making distributions to shareholders from income and investment realisations.

Over the last two years the Northern VCTs have made 22 investments, deploying £64 million. Given the Company's investment strategy of focussing on building an early stage portfolio, one of the primary value drivers for investors is that the Northern VCTs should have sufficient liquidity to make additional, follow-on rounds of investment into portfolio companies that have progressed well and need further funding, or where there is an opportunity to make changes and take significant equity stakes. The VCT rules preclude storing money for the long term for future investment and therefore money needs to be raised regularly to ensure the funds' liquidity. With this in mind and based on the anticipated level of new investment and follow-on rounds in the period to 31 December 2020, the Board is recommending that the Company raises £6.6 million by way of a non-prospectus share offer to be made in the 2018/19 tax year (which, if the Offer and the offers made by the other Northern VCTs are successful and fully subscribed, will mean a total of £19.8 million across the Northern VCTs).

Further details of the Offer will be contained in an offer document (which will include an application form) to be issued on behalf of the Company in early January 2019.

### **General Meeting**

Resolution 1 will be proposed as an ordinary resolution. Resolution 1, if passed, gives the Directors authority to allot Ordinary Shares in the Company up to a maximum nominal value of £446,195 in connection with the Offer. No shares are currently held in treasury. This authority will be effective until the conclusion of the next annual general meeting of the Company (expected to be held in July 2019) or, if earlier, the date falling 15 months after the date Resolution 1 is passed except insofar as commitments to allot shares have been entered into before that date.

Resolution 2 will be proposed as a special resolution and is conditional upon the passing of Resolution 1. Resolution 2 supplements the Directors' authority to allot shares in the Company given to them by Resolution 1 and authorises the Directors to allot new shares (or to grant rights over shares) for cash on a non-pre-emptive basis up to an aggregate nominal value of £446,195 in connection with the Offer. This authority will be effective until the conclusion of the next Annual General Meeting of the Company (expected to be held in July 2019) or, if earlier, the date falling 15 months after the date Resolution 2 is passed, save that the Directors may so allot equity shares in pursuance of an offer or agreement entered into before the authority expires.

The Resolutions are specific to the Offer and will not affect the general authorities which were put in place at the Company's annual general meeting on 4 July 2018, which will remain in place.

### **Action to be taken by Shareholders**

If you would like to vote on the Resolutions but cannot attend the General Meeting, please complete the Form of Proxy attached to this Notice and return it to the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing BN99 6DA as soon as possible. They must receive it no later than 2.00pm on Tuesday 18 December 2018. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

### **Recommendation**

Your Board considers that all the Resolutions to be put to the meeting are in the best interests of the Company and its Shareholders as a whole and are most likely to promote the success of the Company for the benefit of its Shareholders, and unanimously recommends that you vote in favour of the Resolutions. Those Directors who hold shares in the Company will be voting in favour of the Resolutions.

Yours sincerely



**James Ferguson**  
Chairman

### **Definitions**

In this letter and the enclosed Notice of General Meeting, unless the context otherwise requires, the following expressions bear the following meanings:

Act	the Companies Act 2006
General Meeting or GM	the general meeting of the Company to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS at 2.00pm on Thursday 20 December 2018
Circular or Notice	this document dated 27 November 2018, addressed to the Shareholders
Company	Northern 3 VCT PLC
Directors or Board	the directors of the Company, whose names are set out on page 1 of the Circular
Form of Proxy	the form of proxy for use at the General Meeting
Ordinary Shares	ordinary shares of 5p each in the capital of the Company
Resolutions	resolutions 1 and 2 to be proposed at the GM and each such resolution shall be a "Resolution"
Shareholders	holders of Ordinary Shares

# **Northern 3 VCT PLC**

## **Notice of General Meeting**

Notice is hereby given that a General Meeting of the Company will be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS at 2.00pm on Thursday 20 December 2018 for the purpose of passing the following resolutions. Where not otherwise defined, terms included within this notice of General Meeting are as defined in the circular published by the Company to its Shareholders dated 27 November 2018 (the "Circular").

### **RESOLUTIONS**

- 1 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, the Directors be generally and unconditionally authorised, in addition to all existing authorities, pursuant to Section 551 of the Companies Act 2006 ("the Act") to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £446,195 in connection with the Offer described in the Circular, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 15 months from the date of passing of this resolution, save that the Company may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to that offer or agreement as if this authority had not expired."
- 2 To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, subject to the passing of Resolution 1 above and in addition to all existing authorities, the Directors be and are hereby empowered pursuant to section 570(1) of the Act to:

  - (a) allot equity securities (as defined in Section 560 of the Act) pursuant to the authorisation for the purposes of Section 551 of the Act conferred by Resolution 1 above; and
  - (b) sell equity securities which immediately before the sale are held by the Company as treasury shares, in each case as if Section 561(1) of the Act (existing shareholders' right of pre-emption) did not apply to the allotment or sale, provided that the power conferred by this resolution shall be limited to the allotment or sale of equity securities up to an aggregate nominal value of £446,195 in connection with the Offer described in the Circular and shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 15 months from the date of passing of this Resolution, save that the Company may before this 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."

By order of the Board

**J K Bryce**

Secretary  
Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4SN

27 November 2018

## NOTES

- 1 A member of the Company entitled to attend and vote at this General Meeting is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, to speak and, both on a show of hands and on a poll, to vote in his or her stead at the meeting. A proxy need not be a member of the Company. The appointment of a proxy does not preclude a member from attending and voting in person at the meeting should he or she subsequently decide to do so. A form of proxy which may be used is attached.
- 2 A member of the Company may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her.
- 3 To be valid, a form of proxy together with, if applicable, the power of attorney or other authority under which it is signed, or a certified copy thereof, must be received by Equiniti Limited at Aspect House, Spencer Road, Lancing BN99 6DA not later than 2.00pm on Tuesday 18 December 2018.
- 4 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered in the register of members of the Company as at 6.30pm on Tuesday 18 December 2018 shall be entitled to attend or vote (whether on a show of hands or on a poll) at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the register after 6.30pm on Tuesday 18 December 2018 (or after 6.30pm on the day which is two working days before any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 5 As at 26 November 2018 (being the last business day prior to the date of this notice) the Company's issued share capital consisted of 89,238,957 ordinary shares each carrying one vote per share. No shares are currently held in treasury. Accordingly, the total number of voting rights in the Company as at 26 November 2018 was 89,238,957.
- 6 CREST members who wish to appoint a proxy or proxies for the meeting or any adjournment thereof by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual ([www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

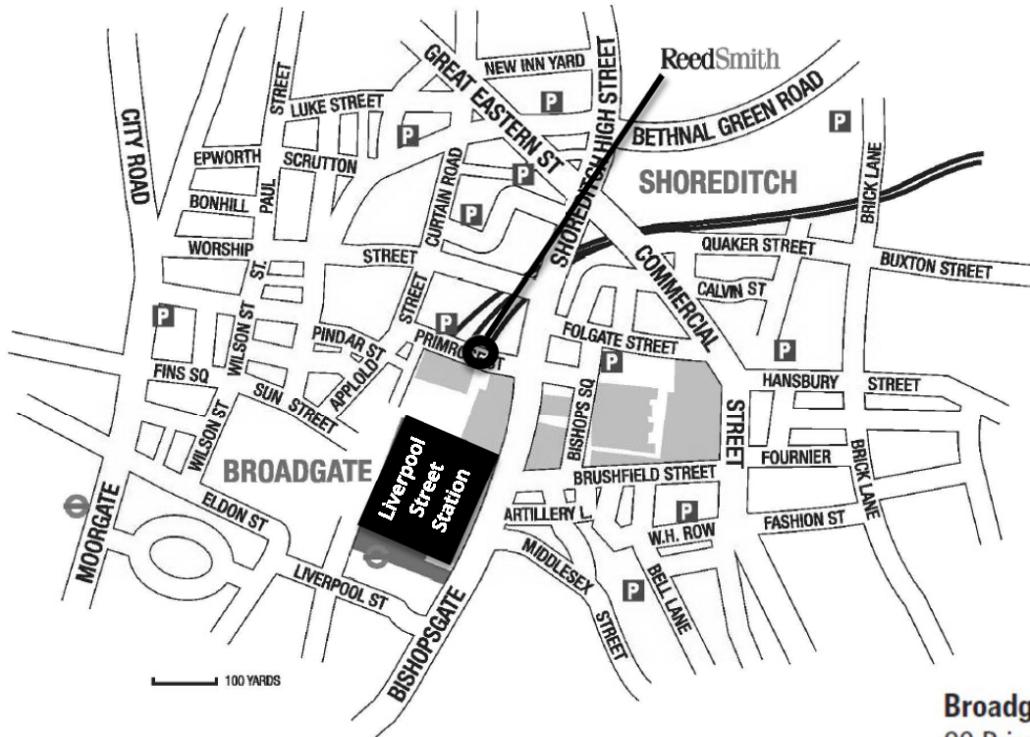
In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 7 The above statement as to proxy rights does not apply to a person who receives this Notice of General Meeting as a person nominated to enjoy "information rights" under Section 146 of the Act. If you have been sent this Notice of General Meeting because you are such a nominated person, the following statements apply: (a) you may have a right under an agreement between you and the member of the Company by whom you were nominated to be appointed or to have someone else appointed as a proxy for this general meeting; and (b) if you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to that member as to the exercise of voting rights.
- 8 A copy of this Notice, and the other information required by Section 311A of the Act, can be found at [www.nvm.co.uk/n3vct/meetings](http://www.nvm.co.uk/n3vct/meetings).
- 9 Any member attending the General Meeting has the right to ask questions. Section 319A of the Act requires the Directors to answer any question raised at the General Meeting which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation for the General Meeting or involve disclosure of confidential information, (b) if the answer has already been given on the Company's website or (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

- 10 You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- 11 If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from Shareholders over which he is given discretion and any voting rights in respect of his own Shares) is such that he will have a notifiable obligation under the Disclosure and Transparency Rules of the Financial Conduct Authority (the “DTRs”), the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. Therefore, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the DTRs, need not make a separate notification to the Company and to the Financial Conduct Authority. However, any member holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with the respective disclosure obligations under the DTRs.
- 12 The General Meeting will be held at the offices of Reed Smith LLP, shown on the location map below.



**Broadgate Tower**  
 20 Primrose Street  
 London EC2A 2RS  
 T: 0203 116 3000

**ReedSmith**



# Northern 3 VCT PLC

## Form of Proxy for the General Meeting on 20 December 2018

I/We .....

(block capitals please)

of .....

being a member of Northern 3 VCT PLC, hereby appoint (see notes 1 and 2)

.....  
or failing him/her the chairman of the meeting to be my/our proxy and exercise all or any of my/our rights to attend, speak and vote for me/us in respect of my/our voting entitlement on my/our behalf at the general meeting of the Company to be held at 2.00pm on Thursday 20 December 2018, notice of which was included within a circular sent to shareholders on 27 November 2018 (the "Circular"), and at any adjournment thereof. Where not otherwise defined, terms used in this form of proxy are as defined in the Circular. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting:

<b>Resolution number</b>		<b>For</b>	<b>Against</b>	<b>Vote withheld</b>
1	To authorise the Directors to allot shares pursuant to Section 551 of the Companies Act 2006 in connection with the Offer ( <i>Ordinary Resolution</i> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Subject to the passing of Resolution 1, to disapply Section 561(1) of the Companies Act 2006 in connection with the Offer ( <i>Special Resolution</i> )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please indicate by placing an X in this box if this proxy appointment is one of multiple appointments being made (see note 2 below).

**Please refer to the notes overleaf**

Signed: ..... Date: ..... 2018

### Attendance indication

Shareholders who intend to attend the general meeting are requested to place a tick in the box below in order to assist with administrative arrangements.

I/we intend to attend the general meeting at 2.00pm on Thursday 20 December 2018 at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London EC2A 2RS

Signed: ..... Date: ..... 2018

**NOTES RELATING TO FORM OF PROXY**

- 1 Every member has the right to appoint some other person(s) of his/her choice, who need not be a member of the Company, as his/her proxy to exercise all or any of his/her rights to attend, speak or vote on his/her behalf at the meeting. A member wishing to appoint a person other than the chairman of the meeting as proxy should insert the name of such person in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter alongside the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). Any alteration or deletion must be signed or initialled.
- 2 A member may appoint more than one proxy in relation to a meeting, provided that the proxy is appointed to exercise the rights attached to a different share or shares held by him/her. To appoint more than one proxy, please contact Equiniti Limited on 0800 028 2349 for (an) additional form(s), or you may photocopy this form. Please indicate alongside the proxy holder's name the number of shares in relation to which the proxy holder is authorised to act as your proxy. Please also indicate by placing an **X** in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
- 3 Use of the form of proxy does not preclude a member from attending and voting in person.
- 4 Where the form of proxy is executed by an individual it must be signed by that individual or his or her attorney.
- 5 Where the form of proxy is executed by joint shareholders it may be signed by any of the members, but the vote of the member whose name stands first in the register of members of the Company will be accepted to the exclusion of the votes of the other joint holders.
- 6 Where the form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.
- 7 If the form of proxy is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she will on any other matters to arise at the meeting.
- 8 To be valid, the form of proxy, together with, if applicable, the power of attorney or other authority under which it is signed, or a certified copy thereof, must be received by Equiniti Limited at Aspect House, Spencer Road, Lancing BN99 6DA not later than 2.00pm on Tuesday 18 December 2018.
- 9 The "vote withheld" option is provided to enable a member to abstain from voting on the Resolution; however, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "for" and "against" the Resolution.