

Northern 2 VCT PLC

Time Central 32 Gallowgate Newcastle upon Tyne NE1 4SN

T 0191 244 6000 F 0191 244 6001 E n2vct@nvm.co.uk

www.nvm.co.uk

To shareholders in Northern 2 VCT PLC

17 June 2016

Dear Shareholder

Annual Report for the year ended 31 March 2016

I am pleased to enclose your copy of the company's annual report for the year ended 31 March 2016, together with details of our annual general meeting which will take place at 12 noon on Thursday 14 July 2016 at The British Library, 96 Euston Road, London NW1 2DB. I also enclose documentation in respect of the company's Dividend Investment Scheme, whereby dividends may be re-invested in new ordinary shares with the benefit of the tax reliefs normally available on new VCT subscriptions.

Final dividend and special dividend

An interim dividend of 2.0p per share in respect of the year ended 31 March 2016 was paid in January 2016 and a final dividend of 3.5p is proposed by the directors, taking the total for the year to 5.5p. In view of the successful investment realisations in the year, the directors have decided to declare an additional special dividend of 5.0p per share, which will take the form of a second interim dividend for the year ended 31 March 2016, payable on 22 July 2016 to shareholders on the register on 24 June 2016. The proposed final dividend of 3.5p per share will, subject to approval by shareholders at the annual general meeting, also be payable on 22 July 2016 to shareholders on the register on 24 June 2016. This means that the aggregate dividend payment on 22 July 2016 will be 8.5p per share.

Dividend Investment Scheme

The enclosed documentation in respect of the company's Dividend Investment Scheme allows shareholders participating in the Scheme to re-invest all future dividends (including annual dividends and special dividends), or, if preferred, just the aggregate dividend payment of 8.5p per share payable on 22 July 2016.

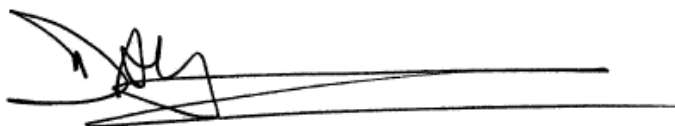
Any shareholder who wishes to join the Scheme prior to payment of the dividends on 22 July 2016 should complete the enclosed Mandate Form and return it to the company's registrars, Equiniti Limited, so that they receive it by 8 July 2016. Shareholders who have already elected to re-invest their dividends through the Scheme do not need to return a new Mandate Form unless they wish to amend their existing participation in the Scheme.

Electronic communications

The company continues to provide the option to shareholders to receive communications from the company electronically rather than by paper copy. Shareholders who wish to join the scheme, which is operated by the company's registrars, Equiniti Limited, should visit www.shareview.co.uk, register for a Shareview portfolio and select 'Email' as their preferred method of delivery of company communications.

Thank you for your continuing support of Northern 2 VCT PLC.

Yours sincerely



David Gravells
Chairman