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**MONTANARO UK SMALLER COMPANIES  
INVESTMENT TRUST PLC (THE "COMPANY")**

**SPECIAL RESOLUTION PASSED AT THE EXTRAORDINARY GENERAL  
MEETING OF THE COMPANY HELD ON 30TH JUNE 1998 AT 11.40 am.**

THAT conditional upon the passing of the extraordinary resolution set out in the Notice of Separate General Meeting of Warrantholders dated 5th June 1998.

- (A) An amount equal to £27,000,000 standing to the credit of the share premium account of the company be and is hereby cancelled.

FOR INFORMATION ONLY  
— THIS RESOLUTION PROCESSED SEPARATELY

- (B) The Company be and is hereby generally and unconditionally authorised in accordance with section 166 of the Companies Act 1985 ("the Act") to make market purchases (within the meaning of section 163 of the Act) of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares"), provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 7,000,000;
- (ii) the minimum price which may be paid for an Ordinary Share is 10p;
- (iii) the maximum price which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the middle-market quotations for an Ordinary Share taken from the London Stock Exchange Official List for the 5 business days immediately preceding the day on which the Ordinary Share is purchased or such other amount as may be specified by the London Stock Exchange from time to time;
- (iv) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 1999 or, if earlier, on the expiry of 12 months from the passing of this Resolution, unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred 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 Ordinary Shares pursuant to any such contract.

- (C) The Articles of Association of the Company be and are hereby altered by;

- (i) the insertion of new Article 5(C) as follows:

"5(C) Notwithstanding Article 5(A) above the Company may make a distribution (otherwise than by way of dividend or interim dividend) of capital profits within the meaning of Section 266(2)(c) of the Act for the purpose of enabling the company to make purchases of its own share if and for so long as the Directors have resolved to, and do, revoke the notice given to the Registrar of Companies pursuant to Section 266(1) and have not given a fresh notice thereunder"; and



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- (ii) deleting the existing Article 101(G) and inserting in its place new Article 101(G) as follows:

"(G) Subject to the provisions of the Statutes and any rules of the London Stock Exchange the Company may by Special Resolution suspend or relax the provisions of this Article to any extent or ratify any contract, arrangement or transaction not duly authorised by reason of a contravention of this Article."

**MONTANARO UK SMALLER COMPANIES INVESTMENT TRUST  
PLC**

**EXTRAORDINARY RESOLUTION PASSED AT THE SEPARATE GENERAL  
MEETING OF WARRANTHOLDERS HELD ON 30TH JUNE 1998 AT 11.45 am.**

THAT this separate general meeting of the holders of warrants to subscribe for ordinary shares of 10p each in the capital of the Company ("Warrants"), in accordance with the terms and conditions of the Warrants, hereby sanctions and consents to (a) the passing and carrying into effect of the special resolution contained in the notice of the Extraordinary General Meeting of the Company convened for 30th June 1998 set out in the Company's circular to shareholders and warrant holders dated 5th June 1998, a copy of which has been produced to the meeting and signed by the Chairman hereof for the purpose of identification, (the "Circular") for (i) the reduction of the Company's share premium account, (ii) the purchase by the Company of its own shares pursuant to the authority thereby granted or as duly renewed and any distribution of capital profits thereby made and (iii) the alteration of the Company's Articles of Association, (b) the implementation in all other respects of the Proposals described in the Circular and (c) any other effect on, modification of, dealing with or abrogation of the rights attached to the said Warrants which will or may result from the passing and carrying into effect of such resolution and/or the implementation of the Proposals, and hereby acknowledges that no right of exercise of the said Warrants arises as a consequence of the Proposals or the implementation thereof.