

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

DUNEDIN SMALLER COMPANIES INVESTMENT TRUST plc (the "Company")
(Registered No. SC 14692)

CERTIFIED COPY RESOLUTION

At an Extraordinary General Meeting of the members of the Company held at Donaldson House, 97 Haymarket Terrace, Edinburgh EH12 5HD on 24 November 2006 at 10 00 a m the following resolutions were passed

SPECIAL RESOLUTIONS

- 1 That, subject to (1) the passing of resolution 2 set out in the notice convening the EGM and (2) the conditions of the Tender Offer set out in sub paragraphs 2 1(u) to (v) of Part 6 of the circular and prospectus relating to the Company dated 1 November 2006 (the "Circular") having been satisfied in full
- (i) in accordance with the terms and conditions of the Tender Offer as set out in the Circular, the Company be and it is hereby authorised, in accordance with section 166 of the Companies Act to make market purchases (within the meaning of section 163 of the Companies Act) of its Ordinary Shares, provided that
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 4,822,115,
- (b) the price which may be paid for an Ordinary Share shall be the Tender Price (which shall be both the maximum and the minimum price for the purposes of section 166 of the Companies Act), and
- (c) the authority hereby conferred shall expire on 31 December 2006 (unless such authority is renewed prior to such time), save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry,
- (ii) the Company be and it is hereby authorised to arrange for Intelli Stockbrokers to use its reasonable endeavours to place Ordinary Shares tendered under the Tender Offer, at the Tender Price (which represents a discount to the NAV per Ordinary Share), with a limited group of investors provided that in doing so Intelli Stockbrokers does make a public offer under section 85 of the Financial Services and Markets Act 2000, and
- (iii) in addition to the authority conferred by sub paragraph (i) of this resolution but in substitution for any other existing authority under section 166 of the Companies Act, the Company be and it is hereby authorised, in



accordance with section 166 of the Companies Act, to make market purchases (within the meaning of section 163 of the Companies Act) of its Ordinary Shares, provided that

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 14.99 per cent of the Ordinary Shares in issue immediately following completion of the repurchase by the Company of its Ordinary Shares pursuant to the authority conferred by sub paragraph (ii) of this resolution, or, if applicable, the lapsing or termination of the Tender Offer in accordance with its terms,
- (b) the minimum price which may be paid for an Ordinary Share is 0.1p,
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of
 - (1) 5 per cent above the average of the market values of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for the five business days before the purchase is made, and
 - (2) the higher of the price of the last independent trade in Ordinary Shares and the highest current independent bid for Ordinary Shares on the London Stock Exchange, and
- (d) unless renewed, the authority hereby conferred by this sub paragraph (iii) shall expire on 31 December 2007 or, if earlier, the annual general meeting of the Company held in 2007, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry,

and words and expressions defined in the Circular shall have the same meanings when used in this resolution

- 2 That, subject to (1) the passing of resolution 1 set out in the notice convening the EGM, (2) the conditions of the Tender Offer set out in sub paragraphs 2.1(ii) to (v) of Part 6 of the circular and prospectus relating to the Company dated 1 November 2006 (the "Circular") having been satisfied in full and (3) the UK Listing Authority agreeing to admit the Subscription Shares to be issued pursuant to the Bonus Issue to the Official List and the London Stock Exchange agreeing to admit such shares to trading on its Main Market

- (i) each of the Ordinary Shares of 25p each comprised in the authorised share capital of the Company as at the Bonus Record Date be sub divided into five Ordinary Shares of 5p each,
- (ii) the authorised share capital of the Company be increased from £5,200,000 to £5,200,122.06 by the creation of 12,206,000 subscription shares of 0.001p each, such shares having attached thereto the rights and being subject to the limitations and restrictions set out in the new articles of association of the Company to be adopted by sub paragraph (iii) of this resolution,

- (iii) the articles of association produced to the meeting and signed by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for the existing articles of association of the Company and the Directors be authorised in order to effect the conversion of Subscription Shares pursuant to Article 4 2 1 13 of the New Articles to capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose, as set out in and to be applied in accordance with Article 4 2 1 13(v) of the New Articles,
- (iv) the Directors be generally and unconditionally authorised, for the purposes of section 80 of the Companies Act, to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Companies Act) pursuant to the Bonus Issue and the exercise of the Subscription Share Rights issued pursuant to the Bonus Issue up to an aggregate nominal amount of £610,422 06, provided that
 - (a) this authority shall expire on 31 December 2006, save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired, and
 - (b) this authority shall be in addition to the existing authority conferred on the Directors pursuant to the said section 80 granted at the annual general meeting of the Company held on 13 February 2003,
- (v) the Directors be hereby empowered pursuant to section 95(1) of the Companies Act to allot equity securities (within the meaning of section 94(2) of the Companies Act) pursuant to the authority conferred by sub paragraph (iv) of this resolution as if section 89(1) of the Companies Act did not apply to such allotment, provided that
 - (a) this power shall expire on 31 December 2006, save that the Company may before such expiry make any offer or agreement which would or might require the equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired,
 - (b) this power shall be limited to allotments of equity securities for cash up to an aggregate nominal amount of £610,422 06, and
 - (c) this power shall be in addition to the existing power conferred on the Directors pursuant to the said section 95(1) granted at the annual general meeting of the Company held on 13 February 2003,
- (vi) notwithstanding any provision of the articles of association of the Company, the Directors be authorised to capitalise a sum not exceeding £122 06, being part of the sum standing to the credit of the capital redemption reserve of the Company, and to apply such sum in paying up in full at par any or all of the Subscription Shares created pursuant to sub paragraph (ii) of this resolution, and to allot and distribute such shares to holders of Ordinary Shares of 5p each in the Company on the Register at

the Bonus Record Date but so that no such member shall be entitled to a fraction of a Subscription Share,

- (vii) any consolidation, sub division or redemption of share capital required in the opinion of the Directors to give effect to the rights of the holders of Subscription Shares be hereby approved, and
- (viii) in addition to any authority under section 166 of the Companies Act conferred by resolution 1 set out in the notice convening the EGM, the Company be and it is hereby authorised, in accordance with section 166 of the Companies Act, to make market purchases (within the meaning of section 163 of the Companies Act) of its Subscription Shares, provided that
 - (a) the maximum aggregate number of Subscription Shares hereby authorised to be purchased is 14.99 per cent of the Subscription Shares in issue immediately following Admission,
 - (b) the minimum price which may be paid for a Subscription Share is 0.001p,
 - (c) the maximum price (exclusive of expenses) which may be paid for a Subscription Share shall be the higher of
 - (1) 5 per cent above the average of the market values of the Subscription Shares as derived from the Daily Official List of the London Stock Exchange for the five business days before the purchase is made, and
 - (2) the higher of the price of the last independent trade in Subscription Shares and the highest current independent bid for Subscription Shares on the London Stock Exchange, and
 - (3) unless renewed, the authority hereby conferred by this sub paragraph (iii) shall expire on 31 December 2007 or, if earlier, the annual general meeting of the Company held in 2007, save that the Company may, prior to such expiry, enter into a contract to purchase Subscription Shares which will or may be completed or executed wholly or partly after such expiry,

and words and expressions defined in the Circular shall have the same meanings when used in this resolution


Company Secretary