

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular or about what action to take, you are recommended immediately to seek your own professional advice from your stockbroker, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are taking advice in the United Kingdom or, if you are taking advice in another jurisdiction, from another appropriately authorised independent financial adviser. All Shareholders are advised to consult their professional advisers regarding their own tax position.

If you have sold or otherwise transferred all of your Shares in Dunedin Enterprise Investment Trust PLC you should pass this Circular as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. This Circular and all accompanying documents should not, however, be forwarded or transmitted in or into any Restricted Jurisdiction.

This Circular should be read as a whole and in conjunction with the accompanying documents. Your attention is drawn to the Chairman's letter which is set out in Part 1 of this Circular. The letter contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

This Circular has been prepared for the purposes of complying with the Listing Rules and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Dunedin Enterprise Investment Trust PLC

(incorporated and registered in Scotland with registered number SC052844, an investment company within the meaning of Section 833 of the Companies Act 2006)

Proposed adoption of a B Share Scheme to allow for the return of capital to Shareholders

Notice of General Meeting

Notice of a General Meeting of the Company to be held at The Waldorf Astoria Edinburgh – The Caledonian, Princes Street, Edinburgh EH1 2AB at 11.10 a.m. (or such later time as the AGM concludes or is adjourned) on 11 May 2017 is set out at the end of the Circular. Your attention is drawn to the section headed "Action to be taken" on page 10 of the Circular.

No application will be made to the UK Listing Authority or to the London Stock Exchange for any of the B Shares to be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities, nor will any of the B Shares be listed or admitted to trading on any other securities or investment exchange.

The availability of the B Share Scheme and a Return of Capital to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should read the paragraph headed "Overseas Shareholders" set out in Part 2 of this Circular and should inform themselves about, and observe, any applicable legal or regulatory requirements.

None of the B Shares will be registered under the US Securities Act or with any state or other jurisdiction of the United States, and none of the B Shares may be reoffered, resold, pledged, or otherwise transferred in or into the United States or to any US persons except pursuant to a transaction that has been registered under the US Securities Act and with the relevant state and other jurisdictions or a transaction that is exempt from, or otherwise not subject to, the securities laws of such jurisdictions.

Neither the B Shares nor this Circular have been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non US securities commission or regulatory authority, nor have such authorities passed upon or endorsed the merits of the B Share Scheme or a Return of Capital or confirmed the accuracy or determined the adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

This Circular does not constitute an invitation to participate in the B Share Scheme or a Return of Capital in or from any jurisdiction in or from which, or to or from whom, it is unlawful to make such offer or participate under applicable securities laws or otherwise.

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Expected Timetable of Events

Latest time for receipt of Forms of Direction	11.10 a.m. on 4 May 2017
Latest time for receipt of Forms of Proxy	11.10 a.m. on 9 May 2017
General Meeting	11.10 a.m. (or such later time as the AGM concludes or is adjourned) on 11 May 2017

The above times and/or dates are indicative only and may change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders through an RIS Announcement and, if required, the publication of a supplementary circular.

All references to times in this Circular are to London times unless otherwise stated.

Definitions

In this Circular, unless the context otherwise requires, the following expressions bear the following meanings:

Act	the Companies Act 2006
AGM	the annual general meeting of the Company to be held at The Waldorf Astoria Edinburgh – The Caledonian, Princes Street, Edinburgh EH1 2AB at 11 a.m. on 11 May 2017 (or any adjournment thereof)
Alliance Trust Savings Product Investors	investors in Shares through the Alliance Trust Savings Product Range
Alliance Trust Savings Product Range	in order to facilitate investment in the Company, the arrangements put in place for the Company to be part of Alliance Trust Savings Limited's product range, which includes an Investment Dealing Account, Stocks & Shares ISA and SIPP
Articles	the current articles of association of the Company as adopted on 17 May 2010 and amended on 17 May 2013
B Share Dividend	the fixed rate dividend to be paid on B Shares in accordance with the rights described in Part 3 of this Circular
B Share Entitlement	the entitlement of the holders of B Shares to participate in a Return of Capital and to receive the B Share Dividend
B Share Scheme	the proposed mechanism to enable returns of capital through the issue and redemption of B Shares
B Shares	unlisted redeemable fixed rate preference shares of 50 pence each in the capital of the Company carrying the rights and restrictions set out in Part 3 of this Circular
Board	the board of directors of the Company (or any duly authorised committee thereof) from time to time
Business Day	any day (excluding Saturdays, Sundays and public holidays) on which banks are open for normal banking business in the City of London
CGT	United Kingdom taxation of capital gains and corporation tax on chargeable gains
Circular	this document dated 3 April 2017, addressed to Shareholders
Company	Dunedin Enterprise Investment Trust PLC
Company's Website	www.dunedinenterprise.com
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of shares in uncertificated form which is administered by Euroclear
Directors	the directors of the Company, from time to time being, as at the date of this Circular, the persons whose names are set out on page 7 of this Circular

Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
FCA	the UK Financial Conduct Authority or its successor from time to time
Form of Direction	the form of direction (which is coloured green) issued by Alliance Trust Savings Limited for use by Alliance Trust Savings Product Investors in connection with the General Meeting
Form of Proxy	the form of proxy (which is coloured pink) for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto
General Meeting	the general meeting of the Company to be held at The Waldorf Astoria Edinburgh – The Caledonian, Princes Street, Edinburgh EH1 2AB at 11.10 a.m. (or such other time as the AGM concludes or is adjourned) on 11 May 2017 (or any adjournment of that meeting)
HMRC	HM Revenue & Customs
Listing Rules	the rules and regulations made by the FCA under Part VI of FSMA
London Stock Exchange	London Stock Exchange plc
Manager	Dunedin LLP
NAV	net asset value in pence per Ordinary Share
New Articles of Association	the new articles of association of the Company, which it is proposed are adopted to replace in their entirety the Articles, to be proposed for approval by Shareholders at the General Meeting pursuant to Resolution 1
Notice of General Meeting	the notice convening the General Meeting set out on pages 23 to 26 of this Circular
Official List	the Official List of the FCA
Overseas Shareholders	Shareholders resident in, or citizens or nationals of, jurisdictions outside the United Kingdom
Record Date	in respect of any Return of Capital, the date determined by the Board, at its absolute discretion, being the date on which Shareholders' entitlements to B Shares under that Return of Capital will be calculated
Redemption Date	in respect of any Return of Capital, the date determined by the Board, at its absolute discretion, on which the B Shares allotted under that Return of Capital will be redeemed
Redemption Price	in respect of any Return of Capital, the price at which B Shares allotted under that Return of Capital are to be redeemed being 50p for each B Share
Registrar	Equiniti Limited
Resolution 1	the resolution number 1 to be put to the General Meeting as detailed on page 14 of this Circular and in the Notice of General Meeting

Resolution 2	the resolution number 2 to be put to the General Meeting as detailed on page 14 of this Circular and in the Notice of General Meeting
Resolution 3	the resolution number 3 to be put to the General Meeting as detailed on page 14 of this Circular and in the Notice of General Meeting
Resolutions	Resolution 1, Resolution 2 and Resolution 3
Restricted Jurisdictions	the United States, Canada, Australia, New Zealand, Japan and South Africa and any other jurisdiction where the mailing of this Circular into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction
Return of Capital	each return of capital pursuant to the allotment and redemption of B Shares to be made at such time or times as determined by the Board, at its absolute discretion
RIS Announcement	an announcement to a regulatory information service that is approved by the FCA as meeting the primary information provider criteria and that is on the list of regulatory information service providers maintained by the FCA
Shareholders	holders of Ordinary Shares
Shares or Ordinary Shares	ordinary shares of 25p each in the capital of the Company
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
US Securities Act	the United States Securities Act of 1933

Part 1 – Letter from the Chairman

Dunedin Enterprise Investment Trust PLC

*(Incorporated in Scotland with registered number SC052844)
(An investment company under Section 833 of the Companies Act 2006)*

Directors:

Duncan Budge, *Chairman*
Federico Marescotti
Brian Finlayson
Angela Lane

Registered office:

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

3 April 2017

Dear Shareholder

Proposed B Share Scheme

Introduction

In May 2016, Shareholders approved a change in investment strategy whereby the Company ceased making new investments and began a managed wind-down of the Company. The Company's objective is to conduct an orderly realisation of its assets over a period of time, to be effected in a manner that seeks to achieve a balance between maximising the value of the Company's investments and progressively returning cash to Shareholders.

After consideration, the Board believes that one of the fairest and most efficient ways of returning cash to Shareholders is by adopting a B Share Scheme whereby the Company will be able to issue redeemable B Shares to Shareholders and to redeem them on each Redemption Date without further action being required by Shareholders.

The quantum and timing of Returns of Capital to Shareholders following receipt by the Company of the net proceeds of realisations of investments will be dependent on the Company's liabilities (including any outstanding bank borrowings), its uncalled fund commitments and general working capital requirements. In particular, the net cash proceeds from realisations of investments, after settlement of and provision for liabilities of the Company, will normally be applied towards the repayment of any outstanding bank borrowings prior to returning capital to Shareholders. Accordingly, the quantum and timing of Returns of Capital are at the discretion of the Board, which will announce details of each Return of Capital, including the relevant Record Date, Redemption Price and Redemption Date, through an RIS Announcement, a copy of which will be posted to Shareholders.

The adoption of a B Share Scheme will not limit the ability of the Company to return cash to Shareholders by using other mechanisms and, if the B Share Scheme is adopted, the Board will continue to review its tax effectiveness and cost efficiency over time. The Board's proposal to adopt a B Share Scheme at this point in time should not be taken as any indication as to the likely timing or quantum of any future returns of cash to Shareholders and Shareholders should not conclude that returns of capital over the next few months are likely.

The purpose of this Circular is to provide Shareholders with further details of the proposed B Share Scheme and to give notice of the General Meeting at which the Resolutions required to adopt the B Share Scheme will be proposed.

B Share Scheme

How will cash be returned via the B Shares?

Subject to the Resolutions being passed, the Company will have a mechanism to enable it to return cash to Shareholders at such time or times as the Board may, at its absolute discretion, determine by capitalising amounts standing to the credit of certain of the Company's reserves and then applying the resulting

amounts for the purpose of paying up the nominal value of the appropriate number of B Shares. Such B Shares would then be issued to Shareholders *pro rata* to their holding of Ordinary Shares at the time of issue of the B Shares and, shortly thereafter, redeemed and cancelled in accordance with their terms for an amount not exceeding the amount treated as paid up on the issue of the B Shares. The Company will not allot any fractions of B Shares and entitlements will be rounded down to the nearest whole B Share.

Following the redemption and cancellation of the B Shares, the redemption proceeds would be sent to Shareholders, either through CREST to uncertificated Shareholders or via cheque to certificated Shareholders.

Further details of the B Share Scheme are set out in Part 2 of this Circular.

The structure of a B Share Scheme should result in the majority of UK tax payers receiving their cash proceeds on redemption of the B Shares as capital and the accrued B Share Dividend as income for taxation purposes. You should read Part 5 of the Circular which sets out a summary guide to certain potential tax consequences in the UK.

Advantages of returning cash via B Shares

The advantages of returning capital via the B Share Scheme rather than via a tender offer (a mechanism which has previously been used by the Company) are that:

- (a) it reduces costs for the Company, as there should be no need to prepare further circulars to give effect to future Returns of Capital as is the case with tender offers. Details of each Return of Capital would be notified to Shareholders through an RIS Announcement (a copy of which would be posted to Shareholders) and, subject to any change in existing United Kingdom tax law (and in contrast to a tender offer where stamp duty at the rate of 0.5 per cent. of the tender price is payable), no stamp duty would be payable;
- (b) all Shareholders would be able to participate in the redemption process and they would be treated equally;
- (c) subject to the Resolutions being passed at the General Meeting, Shareholders should not be required to take any further action to give effect to future Returns of Capital; and
- (d) there would be greater certainty for the Company regarding the rate of returns of capital to Shareholders (unlike tender offers, capital returns under the B Share Scheme would be mandatory and would apply to all Shareholders on a *pro rata* basis).

However, for some Shareholders, there may be some disadvantages in returning capital via the B Share Scheme relating to the timing and mandatory nature of the scheme. Unlike a tender offer, Shareholders would not be given a choice as to whether or not to participate in a Return of Capital and, for those Shareholders who hold Shares through a number of different vehicles, they would not be given the choice as to which of their vehicles should participate in a Return of Capital. This could potentially lead to adverse tax consequences for Shareholders as they may not be able to structure their returns in the most tax efficient manner.

Taxation of the B Share Scheme

Broadly speaking (based on current United Kingdom tax law), each redemption of B Shares should be treated as a disposal by the Shareholder of their Shares for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of capital gains and corporation tax on chargeable gains.

For further information regarding taxation on redemptions of B Shares please see Part 5 of this Circular.

Further information on the B Shares

No share certificates would be issued in relation to the B Shares and the B Shares would not be listed or traded on the London Stock Exchange or on any other recognised exchange.

The B Shares would be non-transferable and would have limited rights, including a right to a very small dividend at a fixed rate.

Given the very short period of time for which any B Share would be in issue, it is unlikely that any dividends would become payable on the B Shares. The rights and restrictions attached to the B Shares are set out more fully in Part 3 of this Circular.

Company Outlook – Trend Information and Significant Changes

On 20 March 2017 the Company published its results for the year ended 31 December 2016. In the year to 31 December 2016 the Company's NAV decreased from 505.8p to 503.3p. After allowing for an interim dividend of 16p paid in May 2016, the total return to Shareholders was 2.7% (in terms of net asset value).

Significant Changes

Since 31 December 2016 the Company has made a significant realisation. On 2 February 2017 the Company announced the successful realisation of Steeper, the UK's leading supplier of prosthetic devices. On completion the Company received proceeds totalling £8.9m, of which £6.7m was capital and £2.2m was income. In addition, potential earn-out proceeds of up to £1m may become payable. The Company's NAV at 31 December 2016 reflected the realised proceeds from the sale of Steeper received in February 2017.

Since 31 December 2016, the Company has made an investment of £5.9 million through the Dunedin Buyout Fund III in Forensic Risk Alliance. Forensic Risk Alliance is an international consultancy business that provides forensic accounting, data analytics and e-discovery expertise to help businesses manage risk in an increasingly regulated global environment.

As at close of business on 3 April 2017 (being the latest practicable date prior to the publication of this Circular), the mid-market Share price was 348.9 pence, representing an increase of 14.0% since 31 December 2016.

Given the level of the Company's undrawn commitments to limited partnership funds still outstanding (being £36.9m as at close of business on 3 April 2017 (the latest practicable date prior to the publication of this Circular)), the Board is not proposing to return any of the £6.7m capital proceeds from the sale of Steeper to Shareholders. Instead, these monies will be retained by the Company to fund its expected drawdowns from funds, thus minimising the use of the Company's revolving credit facility (which remains undrawn).

The Board is committed to the aim of maximising Shareholder value through the orderly wind-down process. This could be addressed partly by judicious and timely sales of the Company's fund interests on the secondary market or by continuing to hold these interests if this is likely to provide better returns to Shareholders.

Dividends

In May 2016 an interim dividend of 16p was paid to Shareholders. On 20 March 2017 the Board announced its proposal to pay a final dividend of 17.5p per share to Shareholders on 18 May 2017.

The Board has also announced that it will propose a dividend for the income proceeds received from the realisation of Steeper (referred to above) in due course.

Risk Factors and Additional Information

The attention of Shareholders is drawn to the risk factors set out in Part 4 of this Circular and to the additional information contained in Part 6 of this Circular.

General Meeting

Set out on pages 23 to 26 of this Circular is the Notice of General Meeting which contains the full text of the Resolutions. The General Meeting is scheduled to be held at The Waldorf Astoria Edinburgh – The Caledonian, Princes Street, Edinburgh EH1 2AB at 11.10 am (or such later time as the AGM concludes or is adjourned) on 11 May 2017.

Resolution 1 is proposed as a special resolution and Resolutions 2 and 3, as ordinary resolutions. Together they seek approval for the proposed B Share Scheme. Resolution 1 relates to the adoption of the New Articles of Association which set out the rights of the B Shares as described in Part 3 of this Circular and enable the Directors to capitalise reserves from time to time for the purposes of the B Share Scheme with the authority of a one-off ordinary resolution of the Company which will be sought pursuant to Resolution 2.

Resolution 2 (which is conditional on the New Articles of Association being adopted pursuant to Resolution 1) authorises the Directors to capitalise from time to time sums standing to the credit of certain of the Company's reserves and to apply such sums in paying up in full up to 400,000,000 B Shares.

Resolution 3 (which is conditional on Resolutions 1 and 2 being approved) authorises the Directors to issue B Shares from time to time up to an aggregate nominal amount of £200m on a *pro rata* basis to the holders of Ordinary Shares by way of bonus issues. If approved, this authority to allot and issue B Shares will expire and, if the Directors consider appropriate, be proposed for renewal, at the next annual general meeting of the Company in 2018 and at each annual general meeting thereafter.

If passed, the Resolutions will allow the Company to return capital to Shareholders through bonus issues of B Shares. Shortly after their date of issue, the B Shares would be redeemed at the option of the Company and cancelled in accordance with their terms. The redemption proceeds would then be sent to Shareholders, as set out more fully in Parts 2 and 3 of this Circular. Subject to the Resolutions being passed, each Return of Capital would be implemented at the discretion of the Company.

Action to be Taken

Shareholders

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting. Please complete the Form of Proxy and return it by post to the address set out on it as soon as possible and, in any event, so as to be received by no later than 11.10 a.m. on 9 May 2017. Alternatively, you may appoint a proxy electronically at www.sharevote.co.uk (or, if you have already registered with the online portfolio service, Shareview, at www.shareview.co.uk) in accordance with note 6 at the end of the notice convening the General Meeting on pages 23 to 26 of this Circular. Such appointment should be transmitted so as to be received as soon as possible and, in any event, by not later than 11.10 a.m. on 9 May 2017.

Shareholders who hold their Shares in CREST may appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the notice convening the General Meeting on pages 23 to 26 of this Circular. Such appointment should be transmitted as soon as possible and, in any event, so as to be received by not later than 11.10 a.m. on 9 May 2017.

The completion and return of a Form of Proxy, or the appointment of a proxy electronically or by CREST electronic proxy instructions, will not prevent a Shareholder from attending the General Meeting and voting in person (in substitution for their proxy vote) if they wish to do so (and are so entitled).

Alliance Trust Savings Product Investors

If you hold your Shares through any of the Alliance Trust Savings Products Range, you will find enclosed with this Circular a Form of Direction for use in connection with the General Meeting. Please complete the Form of Direction and return it by post to the address set out on it as soon as possible and, in any event, so as to be received by no later than 11.10 a.m. on Thursday, 4 May 2017.

Recommendation

In the opinion of the Board, the proposals described in this Circular are in the best interests of Shareholders as a whole.

The Board strongly and unanimously recommends Shareholders to vote in favour of the Resolutions, as the Directors intend to do in respect of their own holdings comprising 197,902 Shares (in total representing 0.96% of the Company's total voting rights).

Yours sincerely

Duncan Budge
Chairman

Part 2 – Details of the B Share Scheme

1 Conditions to the Implementation of the B Share Scheme

The B Share Scheme requires and is conditional upon Shareholder approval of the Resolutions at the General Meeting which will be held at The Waldorf Astoria Edinburgh – The Caledonian, Princes Street, Edinburgh EH1 2AB at 11.10 a.m. (or such later time as the AGM concludes or is adjourned) on 11 May 2017. A Notice of General Meeting is set out at the end of this Circular and a summary explanation of the Resolutions is set out in paragraph 8 below.

The action to be taken by Shareholders is set out on page 10 of this Circular.

If the Resolutions are not passed then the Company will be unable to return surplus cash from time to time to Shareholders by way of a B Share Scheme although cash may still be returned in other ways.

2 Returns of Capital to Shareholders

A Return of Capital consists of the allotment and issue of B Shares to Shareholders and the redemption of the B Shares by the Company.

The Board intends to notify Shareholders of the details of any and each Return of Capital, including the relevant Record Date, the Redemption Price and the Redemption Date, at the relevant time through an RIS Announcement, a copy of which will be posted to Shareholders.

3 Allotment and Issue of and Rights Attaching to the B Shares

For the purposes of making an issue of B Shares, it is proposed that the Directors be authorised to capitalise from time to time amounts standing to the credit of certain of the Company's reserves available for the purpose of making a new issue of shares in accordance with the Act and Article 163 of the New Articles of Association. These aggregate capitalised amounts will be used from time to time to pay up in full B Shares with a nominal value of 50 pence each on the basis that the aggregate nominal value of the B Shares so issued on each such occasion will not exceed the aggregate sum or sums capitalised on each such occasion for the purposes of such B Share issue. The aggregate maximum number of B Shares that may be issued by the Company over time under the B Share Scheme will not exceed 400,000,000 and the aggregate nominal value of all B Shares issued will not exceed £200m.

As at close of business on 3 April 2017 (being the latest practical date prior to the publication of this Circular), the amount standing to the credit of each relevant reserve of the Company was as follows:

<i>Capital redemption reserve</i> (created as a result of share buy-backs by the Company)	£2.765m
<i>Capital reserve (realised)</i> (represents capital profits realised on the Company's investments)	£53.47m
<i>Special distributable reserve</i> (created on cancellation of the Company's share premium account)	£47.6m
<i>Revenue reserve</i> (undistributed revenue profit)	£10.99m

Under the New Articles of Association, the Directors may, having obtained the relevant authority of Shareholders, capitalise any sum standing to the credit of any reserve of the Company for the purposes of paying up, allotting and issuing B Shares to Shareholders.

The B Shares will be allotted and issued to Shareholders *pro rata* to their holding of Ordinary Shares at the time of the issue of the B Shares. The Company will not allot any fractions of B Shares and entitlements will be rounded down to the nearest whole B Share.

The B Shares will have only very limited rights, including a right to a very small fixed rate dividend and will be non-transferable. The rights and restrictions to be attached to the B Shares are more fully set out in Part 3 of this Circular.

No share certificates will be issued for any B Shares allotted and no CREST accounts will be credited with any such shares.

No application will be made for the B Shares to be admitted to listing on the Official List or to trading on the London Stock Exchange's main market for listed securities and the B Shares will not be listed or admitted to trading on any other recognised investment exchange. Given the very short time for which any B Shares issued will be in issue, it is unlikely that any dividend will become payable on the B Shares.

4 Redemption

Each redemption of B Shares will be undertaken at the option of the Company. It is expected that redemption will occur shortly after each date of issue of the B Shares, when all of the B Shares then in issue will be compulsorily redeemed and cancelled in accordance with their terms for an amount not exceeding the amount treated as paid up on the B Shares.

Following the redemption and cancellation of the B Shares, the redemption proceeds will be sent to Shareholders either through CREST to uncertificated Shareholders or via cheque to certificated Shareholders. As the B Share Dividend payment will be an income payment, it will be paid separately either to mandated bank accounts or by cheque. The cash received, other than the very small B Share dividend, should, under current legislation, be taxed as capital for UK individual Shareholders. Please see Part 5 of this Circular for a summary guide to certain potential tax consequences in the UK.

5 Overseas Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the B Share Scheme (including, as may be relevant in each case, the issue, holding or redemption of the B Shares (which will be non-transferable)) will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy himself or herself as to full observance of the laws of each relevant jurisdiction in connection with the B Share Scheme, including the obtaining of any government, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this Circular in certain jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this Circular nor any other document issued or to be issued by or on behalf of the Company in connection with the B Share Scheme constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

The provisions of this paragraph 5 relating to Overseas Shareholders may be waived, varied or modified as regards specific Overseas Shareholders or on a general basis by the Company in its absolute discretion.

6 Securities Law Considerations in the United States

None of the B Shares will be registered under the US Securities Act or with any state or other jurisdiction of the United States, and none of the B Shares may be reoffered, resold, pledged, or otherwise transferred in or into the United States or to any US persons except pursuant to a transaction that has been registered under the US Securities Act and with the relevant state and other jurisdictions or a transaction that is exempt from, or otherwise not subject to, the securities laws of such jurisdictions.

7 Amendments to the Articles of Association

Amendments to the Articles are required in order to implement the B Share Scheme and require approval at the General Meeting. Therefore it is proposed that the Articles be amended by the adoption of the New Articles of Association which include an insertion that contains the rights and restrictions attaching to the B Shares, as set out in Part 3 of this Circular together with a mechanism to allow the Directors to capitalise any sum or sums standing to the credit of certain reserves of the Company from time to time for the purposes of the B Share Scheme with the authority of an ordinary resolution of Shareholders to be obtained on a one-off basis.

8 Summary Explanation of the Resolutions

Resolution 1 will be proposed at the General Meeting as a special resolution, the passing of which requires at least 75% of the votes cast (whether in person or by proxy) to be in favour. Resolution 2 and Resolution 3 will each be proposed as ordinary resolutions, the passing of which requires more than 50% of the votes cast (whether in person or by proxy) to be in favour.

A summary of the Resolutions follows below:

Resolution 1 proposes the adoption of New Articles of Association with immediate effect incorporating the rights and restrictions to be attached to the B Shares (as set out in Part 3 of this Circular) together with a mechanism to allow the Directors to capitalise a sum or sums standing to the credit of certain reserves of the Company from time to time for the purposes of the B Share Scheme with the authority of an ordinary resolution of Shareholders to be obtained on a one-off basis.

Resolution 2 (which is conditional upon the New Articles of Association having been adopted) proposes to authorise the Directors to capitalise from time to time a sum or sums not exceeding, at each relevant time, the aggregate amount then standing to the credit of the Company's reserves available for the purpose of making a new issue of shares in accordance with the Act and the New Articles of Association, and to apply such sum or sums from time to time in paying up in full up to 400,000,000 unlisted redeemable fixed rate preference shares of 50p each in the capital of the Company carrying the rights and restrictions set out in article 163 of the New Articles of Association which may be allotted from time to time pursuant to the authority given by Resolution 3.

Resolution 3 (which is conditional upon Resolutions 1 and 2 being approved) proposes to authorise the Directors to allot and issue B Shares from time to time on a *pro rata* basis as determined by the Directors from time to time up to an aggregate nominal amount of £200m. This authority to allot will expire and, if the Directors consider appropriate, be proposed for renewal, at the next annual general meeting of the Company in 2018 and at each annual general meeting thereafter.

Part 3 – Rights and Restrictions attached to B Shares

Set out below is the proposed insertion to the Articles, which contains the rights and restrictions attached to the B Shares. The following Article 163 is to be inserted into the Articles of Association of the Company immediately following the existing Article 162 together with any new defined terms required, thereby forming the New Articles of Association. The Company is seeking Shareholder approval to adopt the New Articles of Association pursuant to Resolution 1.

“B Shares

163. Rights and restrictions attaching to B Shares

- 163.1 Subject to the 2006 Act and notwithstanding anything in these Articles to the contrary: (a) the Directors may issue B Shares provided that such B Shares are fully paid up out of the reserves of the Company; and (b) the Directors may, with the authority of an ordinary resolution of the Company (which need only be obtained once and need not be obtained on every occasion B Shares are to be issued), from time to time resolve to capitalise any sum or sums standing to the credit of any reserve and apply such sum or sums for the purposes of paying up B Shares to be allotted and issued to existing Shareholders *pro rata* to their shareholding of Ordinary Shares at the time of issue of B Shares. No fractions of B Shares will be issued and entitlements will be rounded down to the nearest whole B Share.
- 163.2 Notwithstanding any other provisions in these Articles, the B Shares shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 163 and any other provision in these Articles, the provisions in this Article 163 shall prevail.

Income

- 163.3 The profits available for distribution shall be applied first in paying to the holders of the B Shares (in priority to any payment of dividend to the holders of any other class of shares in the capital of the Company) a fixed rate non-cumulative preferential cash dividend (**Preferential Dividend**) at the rate of 1% of the nominal value of 50 pence on every B Share held by them, such dividend to be paid annually on the date falling six months after the date on which any B Shares are issued and thereafter on each anniversary of such date (the **Fixed Dividend Dates**) to the registered holders of B Shares shown in the register of members of the Company on the relevant Fixed Dividend Date. Every Preferential Dividend shall be distributed to the holders of the B Shares *pro rata* according to the amounts paid up or credited as paid up on the B Shares held by them respectively and shall be rounded down to the nearest whole penny.

Capital

- 163.4 Except as provided in Article 163.12 below, on a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the Company, to 50 pence per B Share held by them.
- 163.5 On a winding up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 163.4 above. In the event that there is a winding-up to which Article 163.4 applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their *pro rata* proportion of the amounts to which they would otherwise be entitled.
- 163.6 The aggregate entitlement of each holder of B Shares on a winding-up in respect of all the B Shares held by him shall be rounded down to the nearest whole penny.
- 163.7 The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in their capacity as holders of B Shares.

Attendance and voting at general meetings

- 163.8 The holders of the B Shares shall not be entitled, in their capacity as holders of such B Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting nor to vote on a written resolution of the Company.

Class rights

- 163.9 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- 163.10 A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- 163.11 Without prejudice to the generality of the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such redemption (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

Redemption of B Shares

- 163.12 Subject to the provisions of the 2006 Act and these Articles, the Company shall redeem the B Shares as follows:
- (i) The B Shares shall be redeemed at such time or times as the Directors may in their absolute discretion determine (each a **Redemption Time**). There shall be paid on each B Share redeemed under this Article 163.12 the amount paid up thereon together with a sum equal to all arrears, of any Preferential Dividend due and payable at any time prior to the Redemption Time.
 - (ii) As from the Redemption Time, no Preferential Dividends shall be payable on the B Shares.
 - (iii) In the absence of bad faith or wilful default, neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the Redemption Time in accordance with Article 163.12(a) above.
 - (iv) The receipt of the registered holder for the time being of any B Shares (or in the case of joint registered holders the receipt of any of them) of the monies payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

Transfer

- 163.13 The B Shares shall not be transferable.

Share certificates

- 163.14 The B Shares shall not be listed or admitted to trading on any stock exchange nor shall any share certificates be issued in respect of the B Shares.

Definitions

- 163.15 For the purposes of this Article 163, the following terms have the meanings given below:

B Shares	unlisted, redeemable, fixed rate preference shares of 50 pence each in the capital of the Company
Fixed Dividend Dates	has the meaning given to it in Article 163.3

Preferential Dividend	has the meaning given to it in Article 163.3
Ordinary Shares	ordinary shares of 25 pence each in the capital of the Company
Redemption Time	has the meaning given to it in Article 163.12(i)
Shareholders	holders of Ordinary Shares”

Part 4 – Risk Factors

1 Risks Related to the B Share Scheme and any Returns of Capital

Shareholders should be aware of the following risks associated with the B Share Scheme and any Returns of Capital:

- There is no guarantee that the B Share Scheme or any return of capital pursuant to the B Share Scheme will take place. The B Share Scheme is conditional on, among other things, the approval of Shareholders and will not proceed if the Resolutions are not passed. The approval of Resolution 1 requires not less than 75% of those voting at the General Meeting in person or by proxy to vote in favour of the Resolution. Resolutions 2 and 3 require more than 50% of those voting at the General Meeting in person or by proxy to vote in favour. It is possible that Shareholders may not approve the Resolutions. If the Resolutions are not passed there will be no returns of capital under the B Share Scheme.
- The amount of cash that the Company will be able to return to Shareholders in the future will depend on the performance of the Company's remaining investments and the proceeds eventually realised from them.
- Even if the Resolutions are passed, the Board may determine, at its absolute discretion, not to make any Return of Capital pursuant to the B Share Scheme.

2 Risks Related to Continued Investment in the Company

The Company's business, financial condition or results could be materially and adversely affected by any of the risks described below. In such cases, the market price of the Shares may decline because of any of these risks and Shareholders may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company. The Directors consider the following to be the material known risks specific to the Company, but the risks listed do not necessarily comprise all those associated with the Company:

- The Company's investments are directly or indirectly in private equity assets. Private equity assets are inherently subjective in value due to the individual nature of each investment. As a result, valuations are subject to uncertainty. There is no assurance that the valuations of the investments held by the Company reflect the realisable values of such investments.
- Private equity investments, whether held through a fund or directly, are relatively illiquid and generally more difficult to realise than listed equities or bonds. Furthermore, the Company has no control over the timing of realisations of investments it holds through funds. Accordingly, it is very difficult to provide any certainty on the timeframe for realisation of the Company's investments.
- As a result of realisations, the number of investments held by the Company will reduce over time and, as a consequence, the aggregate return on the remaining portfolio will become increasingly exposed to the performance, favourable or unfavourable, of the remaining individual investments.
- As cash is progressively returned to Shareholders, the net assets of the Company will progressively reduce. The Company's annual running costs will not necessarily reduce by the same proportion and consequently the costs as a percentage of net assets may increase.
- The Company's level of gearing may increase as a result of, *inter alia*, further drawdowns to honour commitments to funds under existing contractual arrangements or the realisation of assets at less than their carrying value. An increased level of gearing would increase Shareholders' exposure to realisation values.
- Events such as economic recession or general fluctuations in stockmarkets and interest rates may affect the valuation of investee companies and their ability to access adequate financial resources, as well as affecting the Company's own Share price and discount.

- The Company's liabilities (including any outstanding bank borrowings), its uncalled fund commitments and general working capital requirements may restrict, in terms of both quantum and timing, the Company's ability to return capital to Shareholders following receipt of the net proceeds of realisations of investments.
- Although the Shares are traded on the Main Market of the London Stock Exchange, the market in the Shares is unlikely to be liquid. It may, therefore, prove difficult for Shareholders to sell their Shares in the market. In addition, there is no guarantee that the market price of the Shares will reflect their underlying NAV or the ability to buy and sell at that price.
- The past performance of investments made by the Company or other funds managed by the Manager should not be regarded as an indication of the future performance of the Company's investments.

Part 5 – United Kingdom Taxation

United Kingdom taxation

The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and HMRC published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes and who are and will be the absolute beneficial owners of their Ordinary Shares and B Shares and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade) other than under an ISA. They may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Shareholders who are exempt from taxation. The position may be different for future transactions and may alter between the date of this Circular and the implementation of the B Share Scheme. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

Issue of B Shares

For the purposes of CGT, the issue of B Shares should constitute a reorganisation of the share capital of the Company. Accordingly, the B Shares should be treated as the same asset as the Shareholder's holding of existing Ordinary Shares, and as having been acquired at the same time as the Shareholder's holding of existing Ordinary Shares was acquired. A Shareholder's combined holding of Ordinary Shares and B Shares should have the same aggregate base cost as the Shareholder's holding of Ordinary Shares immediately before the issue of B Shares. The aggregate base cost should be apportioned between B Shares and the Ordinary Shares held by the Shareholder by reference to the market values of the Ordinary Shares and the B Shares on the first day of trading after the issue of B Shares. Due to the terms on which the B Shares will be issued and as they are non-transferable, their market value is likely to be equal to their nominal value of 50p. The apportionment ratio between B Shares and Ordinary Shares will be published on the Company's Website at the earliest practicable time following a quotation or publication of a price or market valuation in respect of the Ordinary Shares following an issue of B Shares.

On the basis that the B Shares should be treated, for United Kingdom tax purposes, as being paid up for "new consideration" received by the Company, the issue of the B Shares should not give rise to any liability to United Kingdom income tax or corporation tax in a Shareholder's hands.

Redemption of the B Shares

On redemption of all or any of the B Shares, an individual Shareholder may, depending on his or her individual circumstances, be subject to CGT on the amount of any chargeable gain realised. Any gain will be measured by reference to the excess of the redemption price above the Shareholder's tax base cost for the B Shares redeemed. The Shareholder's allowable expenditure in relation to his or her existing Ordinary Shares should be apportioned between the Ordinary Shares and the B Shares in the manner described above.

The amount of CGT, if any, payable by an individual Shareholder in relation to the chargeable gain will depend on his or her personal tax position. No tax should be payable on any gain realised on the redemption if the amount of the net chargeable gain, when aggregated with other net chargeable gains realised by the individual Shareholder in the year of assessment in question and allowable losses, does not exceed the annual exemption for UK CGT purposes (£11,100 for the tax year ending 5 April 2017). Broadly, any gains in excess of this amount will be taxed at the individual's relevant UK capital gains tax rate. The gain will be taxable at 10% if the individual is a UK resident and a basic rate income taxpayer only. If the gain exceeds the unused part of an individual's basic rate band for income tax the gain will be taxed at 10% to the extent of the unused element and 20% for the excess. If a UK resident individual is subject to income tax at a rate in excess of the basic rate then the net gain will be taxable at 20%.

Redemptions will be recognised for CGT purposes in the tax year in which they occur.

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions at the UK corporation tax rate (19% from 1 April 2017). Corporate Shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.

The Finance Act 2015 enacted legislation which, broadly, treats amounts paid on the redemption of shares as income in the hands of an individual shareholder, rather than a capital gain, where a company gives the shareholder a choice of whether to receive either a distribution or an “alternative receipt” of broadly the same value but which is not charged to income tax. The Company is of the view that this legislation does not apply to any Return of Capital on the basis that it does not provide Shareholders with a choice as to the form of any amounts they are entitled to receive. Accordingly, the proceeds received by a Shareholder on a redemption of B Shares for an amount equal to their nominal value should not be an income distribution in the Shareholder’s hands.

Other Disposals of Ordinary Shares

On any subsequent disposal (otherwise than by way of redemption) of the whole or part of a Shareholder’s holding of Ordinary Shares, a Shareholder may, depending on his or her circumstances, be subject to CGT on the amount of any chargeable gain realised.

Taxation of Dividends

The Company is not required to withhold tax at source from dividend payments that it makes.

Individual Shareholders

Shareholders who are individuals and who receive a dividend from the Company will in principle be liable to UK income tax on the amount of that dividend, depending on the amount of dividend income received in total by (and other taxable income of) that Shareholder (whether from the Company or other sources) in the relevant tax year.

Individual Shareholders will not currently be liable to UK income tax in respect of a dividend from the Company if the Shareholder’s total dividend income from any source in the relevant tax year does not exceed £5,000. It was announced on 8 March 2017 at the Spring Budget that as of 1 April 2018, this limit will reduce to £2,000. In the case of an individual Shareholder who receives dividends in excess of £5,000 in a tax year, the excess amount of any such dividends will be subject to UK tax at 7.5% for basic rate and non- taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. In practice, given the very short period of time for which the B Shares will be in issue, B Share Dividends are unlikely to become payable.

Company Shareholders

Shareholders within the charge to UK corporation tax which is a ‘small company’ (for the purposes of the UK taxation of dividends) will not generally be subject to tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and do not fall within certain specified anti-avoidance provisions and the Shareholder has not elected for the dividends not to be exempt. It is expected that dividends paid by the Company on the B Shares would fall within an exempt class.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No stamp duty or SDRT will be payable by Shareholders on the allotment and issue of any B Shares or the redemption of any B Shares (since redemptions will take place under the New Articles of Association and not under Section 690 Companies Act 2006).

Transactions in Securities

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals), HMRC can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HMRC to the proposed B Share Scheme, in broad terms, Shareholders might be liable to taxation as if they had received an income amount rather than a capital amount. However, these provisions only apply in the case of close company transactions. The Directors do not consider that the Company is a close company, and consequently these provisions should not be relevant.

Part 6 – Additional Information

1 Major Interests in Shares

So far as the Company is aware, the following persons were interested, directly or indirectly, in 3% or more of the Company's issued share capital as at 3 April 2017 (being the latest practicable date prior to the publication of this Circular):

<i>Name of Shareholder</i>	<i>Number of Shares held</i>	<i>Percentage of issued share capital</i>
Alliance Trust Savings	2,911,009	14.1
Lind Invest	2,598,613	12.6
Barwon Investment Partners	1,500,000	7.3
Baillie Gifford Diversified Growth Fund	1,461,877	7.1
East Riding of Yorkshire Council	999,978	4.8
LGT Capital Management	761,816	3.7
Hargreaves Lansdown	754,899	3.7
Castellain Capital	685,000	3.3
Charles Stanley	657,276	3.2

2 Significant Changes

Save in relation to the realisation of Steeper and the investment through the Dunedin Buyout Fund III in Forensic Risk Alliance both referred to in Part 1 of this Circular, there has been no significant change in the financial or trading position of the Company since 31 December 2016, being the date to which the most recent year-ended financial statements have been made up.

Dunedin Enterprise Investment Trust PLC

Notice of General Meeting

Notice is hereby given that a General Meeting of the Company will be held at The Waldorf Astoria Edinburgh – The Caledonian, Princes Street, Edinburgh EH1 2AB at 11.10 a.m. (or such later time as the Annual General Meeting of the Company concludes or is adjourned) on 11 May 2017 for the purpose of considering and, if thought fit, passing the following resolutions the first of which will be proposed as a special resolution and the second and third as ordinary resolutions:

SPECIAL RESOLUTION

1. THAT the draft articles of association produced to the meeting and signed by the Chairman (the “New Articles of Association”) be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association of the Company to take effect immediately; and
2. THAT conditional upon the New Articles of Association being adopted pursuant to resolution 1 above, the directors be generally and unconditionally authorised pursuant to article 163 of the New Articles of Association to capitalise from time to time a sum or sums not exceeding, at each relevant time, the aggregate amount then standing to the credit of the Company’s reserves available for the purpose of making an issue of unlisted redeemable fixed rate preference shares of 50 pence each in the capital of the Company carrying the rights and restrictions set out in article 163 of the New Articles of Association (“B Shares”) in accordance with the Companies Act 2006 and the New Articles of Association and to apply such sum or sums from time to time in paying up in full up to 400,000,000 B Shares which may be allotted from time to time pursuant to the authority given by resolution 3 below; and
3. THAT conditional upon resolutions 1 and 2 above being approved, pursuant to section 551 of the Companies Act 2006, to exercise all powers of the Company to allot and issue from time to time, credited as fully paid up, B Shares up to an aggregate nominal amount of £200 million to the holders of ordinary shares of 25p each in the capital of the Company on a *pro rata* basis as determined by the Directors from time to time. Unless previously varied, revoked or renewed, this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2018 (save that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would or might require B Shares to be allotted after such expiry and the Directors may allot B Shares in pursuance of such offer or agreement as if the power conferred hereby had not expired).

By order of the Board

Dunedin LLP

3 April 2017

Registered office: 20 Castle Terrace, Edinburgh EH1 2EN

NOTES:

1 Website Giving Information Regarding the General Meeting

Information regarding the General Meeting, including the information required by section 311A of the Companies Act 2006, is available from www.dunedinenterprise.com.

2 Entitlement to Attend and Vote

Only Shareholders registered in the Company's register of Shareholders at 6.30 p.m. on Tuesday, 9 May 2017 (or, if the General Meeting is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting) shall be entitled to attend and vote at the General Meeting in respect of the number of Shares registered in their name at that time. Changes to entries on the register of Shareholders after 6.30 p.m. on Tuesday, 9 May 2017 (or, if the General Meeting is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the General Meeting.

3 Attending the General Meeting in Person

A Shareholder who wishes to attend the General Meeting in person should arrive at the venue for the General Meeting in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the General Meeting, it is advisable for Shareholders to have some form of identification with them.

4 Appointment of Proxies

- 4.1 A Shareholder of the Company at the time set out in note 2 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy does not need to be a Shareholder but must attend the General Meeting to represent the Shareholder. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.
- 4.2 A Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. A Shareholder cannot appoint more than one proxy to exercise rights attached to the same Shares. If a Shareholder wishes to appoint more than one proxy, they should contact the Company's registrar, Equiniti Limited, on 0371 384 2440. Overseas Shareholders should call + 44 121 415 7047. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding UK public holidays).
- 4.3 If a Shareholder wishes a proxy to speak on their behalf at the General Meeting, the Shareholder will need to appoint their own choice of proxy (not the chairman of the General Meeting) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy or through CREST.
- 4.4 A Shareholder may instruct their proxy to abstain from voting on the resolution to be considered at the General Meeting by marking the "vote withheld" option in relation to the resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the resolution.
- 4.5 Appointment of a proxy will not preclude a Shareholder from attending the General Meeting and voting in person.
- 4.6 A person who is not a Shareholder of the Company but has been nominated by a Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 10 below.

5 Appointment of Proxy Using Hard-copy Form of Proxy

The notes on the Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution to be considered at the General Meeting. To appoint a proxy using the Form of Proxy, the Form of Proxy must be completed and signed and sent or delivered to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to be received by the Registrar by not later than 11.10 a.m. on Tuesday, 9 May 2017. In the case of a Shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for

the company. Any power of attorney or other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

6 Appointment of Proxy Electronically

Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through the Registrar's website at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required in order to use this electronic proxy appointment system. Alternatively, Shareholders who have already registered with the Registrar's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their usual user ID and password. Once logged in Shareholders should simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 11.10 a.m. on Tuesday, 9 May 2017.

7 Appointment of Proxy through CREST

- 7.1 CREST members who wish to appoint a proxy or proxies for the General Meeting by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at 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.
- 7.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's agent (RA19) by not later than 11.10 a.m. on Tuesday, 9 May 2017. 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 Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 7.3 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 their 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 7.4 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.

8 Appointment of Proxy by Joint Members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of Shareholders in respect of the joint holding (the first-named being the most senior).

9 Corporate Representatives

A Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of

the corporation) the same powers as the corporation could exercise if it were an individual Shareholder, provided that they do not do so in relation to the same Shares. It is therefore no longer necessary to nominate a designated corporate representative.

10 Nominated Persons

A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”):

- (i) may have a right under an agreement between the Nominated Person and the Shareholder who has nominated them to have information rights (the “**Relevant Member**”) to be appointed or to have someone else appointed as a proxy for the General Meeting; and
- (ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person’s main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

11 Questions at the General Meeting

Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the General Meeting put by a Shareholder attending the General Meeting unless (i) answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (ii) the answer has already been given on the Company’s website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

12 Issued Shares and Total Voting Rights

On 3 April 2017, being the latest practicable date prior to the publication of this Circular, the Company’s issued share capital comprised 20,644,062 Shares, none of which were held in treasury. Each Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 3 April 2017, being the latest practical date prior to the publication of this Circular was 20,644,062.

13 Disclosure Obligations

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the General Meeting as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FCA’s Disclosure Guidance and Transparency Rules.

14 Communication

Any electronic address provided either in this notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

