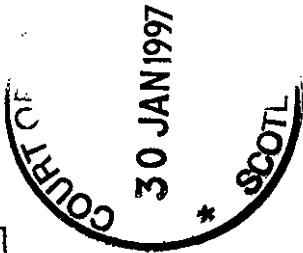


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IN THE COURT OF SESSION



CERTIFIED COPY INTERLOCUTOR

in the

PETITION

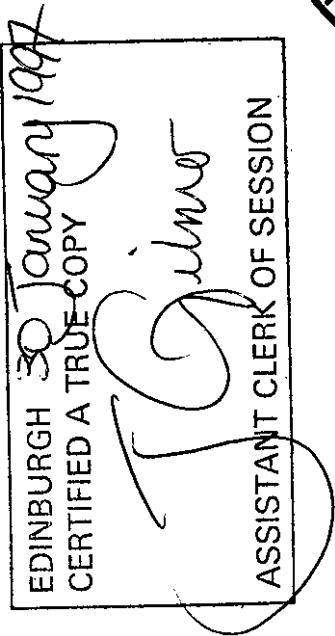
of

EDINBURGH FUND MANAGERS GROUP PLC,
a company incorporated under the
Companies Acts and having its registered
office at Donaldson House, 97 Haymarket
Terrace, Edinburgh, EH12 5HD

PETITIONERS

for

**Confirmation of cancellation of
Share Premium Account**



Edinburgh 30 January 1997. The Lords, having heard Counsel for the petitioners, allow the Petition to be amended in terms of the Minute of Amendment NO 11 of process, as adjusted at the bar, and having considered the Petition as so amended and proceedings, together with the Report by John H. Macfie, W.s. Edinburgh, No 9 of process, dispense with the provisions of Section 136(3) to (5) of the Companies Act 1985; Confirm the Cancellation of the share Premium Account resolved on by the Special Resolution of the Company dated 26 October 1996, Direct registration of this Order together with a copy of the undertaking dated 24 January 1997 with the Registrar of Companies; Direct notice of such registration when made to be given once in the Edinburgh Gazette and dispense with any further advertisement, and decern.

McKUSKEY

I.P.D



COURT OF SESSION, SCOTLAND

CERTIFIED COPY INTERLOCUTOR

in the Petition of

**EDINBURGH FUND MANAGERS
GROUP PLC**

for

**Confirmation of Cancellation of Share
Premium Account**

1996

Shepherd & Wedderburn WS
20 Castle Terrace
Edinburgh
Solicitors

DFM

EDINBURGH FUND MANAGERS GROUP PLC

Donaldson House
97 Haymarket Terrace
Edinburgh EH12 5HD

Telephone: 0131-313 1000
Facsimile: 0131-313 6300



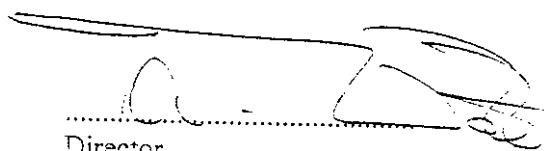
To Whom It May Concern

Your Ref :
Our Ref :
Direct Line : 0131 313

24 January 1997

The Edinburgh Fund Managers Group plc having our Registered Office at Donaldson House, 97 Haymarket Terrace, Edinburgh EH12 5HD ("the Company") hereby undertake that in the event of the cancellation of the Company's Share Premium Account approved by the Special Resolution passed at the Extraordinary General Meeting of the Company held on 26 September 1996 being confirmed by the Court, the credit arising in the Books of Account of the Company will be carried to a Special Capital Reserve ("the Special Capital Reserve");

We further undertake that so long as there shall remain outstanding any debt or claim which would have been admissible in proof against the Company had it been wound up at the date of the registration with the Registrar of Companies of the Interlocutor of the Court confirming the said reduction, the amount standing to the credit of the Special Capital Reserve will be the greater of (a) the value of the goodwill arising on our acquisition of DFM Holdings Ltd in March 1996 such amount to be as stated in the Company's audited accounts for the year to 31 January 1997, and (b) the sum of £75,000,000 and so long as the persons entitled to the benefit thereof shall not have agreed otherwise the Special Capital Reserve (a) shall not be treated as realised profit of the Company and (b) so long as the Company shall remain a public company, shall be treated as an undistributable reserve of the Company for the purpose of Section 264 of the Companies Act 1985, provided that (i) the Company shall be entitled to apply the Special Capital Reserve for the same purposes as it could apply a Share Redemption Reserve or Share Premium Account; and (ii) the Company shall be entitled to reduce the amount standing to the credit of the Special Capital Reserve by the amount credited in the Books of the Company's Share Capital and Share Premium Account as a result of any issue of shares for cash or consideration other than cash.



Director