

Introducer Agreement

Introducers agree

- 1 to comply with microFunding's terms and Conditions and use of the website
- 2 to use their best endeavours to ensure that all introduced inventors comply with the terms and conditions of microFunding Ltd
- 3 to adapt their website to promote entries onto the microFunding database
- 4 to use the microFunding logo on their website and wherever else it might be appropriate and relevant when referring to the microFunding process
- 5 to promote the microFunding funding system on their website
- 6 to promote the microFunding funding system within their professional community
- 7 not to vary the microFunding logo or conditions unless agreed in writing by microFunding Ltd

In return

- 8 Introducers will be eligible for the microFunding INTRODUCER REWARD scheme, see schedule 1
- 9 microFunding will create reciprocal website links to the Introducer's website

Variations

- 10 Introducers will be given fair notice of any variations to this agreement, and advice of any such variation will be sent to the Introducer's registered office or his last advised address.

Duration

- 11 This agreement will continue in force until notice in writing is given by either party to the other
- 12 if either party should cease to trade for any reason this agreement is deemed terminated
- 13 If in microFunding's sole reasonable judgment the Introducer has failed to comply with the terms of this agreement microFunding has the right to terminate both the Introducer's status as Introducer and his eligibility for any accrued interest in the INTRODUCER REWARD scheme.

Third parties

- 14 A person who is not a signatory to this document shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

Status

- 15 Nothing in this document is intended to or shall be construed as establishing or implying a partnership of any kind.

Confidentiality

- 16 Acknowledging that strict confidentiality must be maintained about the details of each 'Proof of Concept' project, each Introducer commits to entering into an appropriate non-disclosure agreement when requested.

Schedule 1

INTRODUCERS' REWARD SCHEME

Introducers will be issued with certificates entitling them to receive the financial benefits at the same level as those they would have received had they been shareholders. Thus each certificate issued will confirm that the holder of the same will be entitled, on the payment of any dividend by or sale of MicroFunding, to receive a reward value ("Reward Value") for making introductions and thus to share in the success of MicroFunding.

The IRS will run for three consecutive Qualifying Periods of 6, 12 and 12 months respectively, commencing on 1st March 2009. Each Eligible Introducer who introduces at least 6 Qualifying Introductions during a Qualifying Period will be issued at the end of that Period with a certificate confirming his entitlement to receive a payment whenever a dividend is paid by MicroFunding or on the sale of that company, based on the Reward Value Multiplier ("RVM") stated on the certificate.

The RVM in each case will be established at the end of the relevant Qualifying Period by calculating the percentage of Qualifying Introductions introduced by each Eligible Introducer during that Qualifying Period and then by applying that percentage to the relevant Share Factor, itself adjusted by the extent to which (if at all) the aggregate number of Qualifying Introductions introduced during that period falls short of the Aggregate Eligible Introduction Target. The resultant number will be the RVM for that certificate, in respect of which the Reward Value will be an amount equal to the dividend or payment made in respect of a 'B' Share multiplied by the RVM.

The following table shows the elements required for applying the formula:

| Qualifying Period | Share Factor | Aggregate Eligible Introduction Target | Individual Target |
|---------------------|--------------|--|-------------------|
| 01.01.09 – 30.06.09 | 20,000 | 300 | 6 |
| 01.07.09 - 30.06.10 | 12,500 | 1200 | 6 |
| 01.07.10 - 30.06.11 | 7,500 | 3600 | 6 |

By way of illustration, if an Introducer introduces 12 Qualifying Introductions during the first Period, out of an aggregate of 200 Qualifying Ideas, the RVM on his certificate will be:

$$\frac{\text{number of qualifying introductions from Introducer}}{\text{total number of qualifying introductions}} \times \text{share factor} \times \frac{\text{total number of qualifying introductions}}{\text{eligible introduction target}}$$

$$= \frac{12}{200} \times 20000 \times \frac{200}{300} = 800$$

If the dividend is declared at £0.50p a share, that Introducer receives a payment from the Nominee of:

$$800 \times \text{£dividend paid} \\ = 800 \times \text{£0.50p} = \text{£400.}$$

If microFunding Ltd is sold, the introducer will receive a payment from the Nominee of:

$$800 \times \text{£sale share price}$$

Introducers will be responsible for any tax liabilities arising as a result of receiving a payment from microFunding. An IRS certificate will be issued to each Introducer introducing at least 6 Qualifying Introductions during a Qualifying period.

Introductions made by introducers who have in turn been introduced will qualify the original introducer for additional share options in microFunding Ltd in accordance with the following schedule. Fractions of a share will be rounded down.

| Generation of introducer | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---|----|-----|-----|----|-----|-----|------|-----|----|
| number of share options per introduction | 1 | .5 | .33 | .25 | .2 | .16 | .14 | .125 | .11 | .1 |