

INTRODUCERS' REWARDS

Introducers are rewarded directly in three ways:

1 They can **charge for introductions**. These fees are collected by microFunding at the point of introduction, and accounts for them back to the Introducer on a monthly VAT statement. Net fees are normally paid into the Introducer's PayPal account.

2 They are entitled to receive a **share option in each successfully created business**, being 1% for introducing the business's Inventor, Manager or Investor; 2% for introducing any two of these; or 3% for introducing all three.

3 They qualify for the **Reward value Scheme**: they 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 Reward Value Scheme will run for three consecutive Qualifying Periods of 6, 12 and 12 months respectively, commencing on 1st April 2010. 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
Months 0 to 6	20,000	300	6
Months 7 to 12	12,500	1200	6
months 13 to 24	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