

**MERCHANT HOUSE GROUP plc (the "Company")**

(incorporated and registered in England and Wales with registered number 04034645)

**Minutes of General Meeting**

held at 11.15 a.m. on 21 August 2009 at the Company's offices, 7<sup>th</sup> Floor, Aldermay House,  
10-15 Queen Street, London, EC4N 1TX

Present: Martin Eberhardt – Chairman  
Peter Redmond  
Hugh Fleming - Secretary

The Chairman noted that a quorum was present in person or by proxy in accordance with the Company's articles of association and declared the meeting open.

The resolutions contained in the Notice of the meeting were then put to the meeting.

**Special Resolution**

1. THAT:

(a) each of the 107,870,148 issued ordinary shares of 0.5p each in the capital of the Company be and is hereby sub-divided and reclassified and redesignated into new ordinary shares of 0.01p ("New Ordinary Shares") and one deferred share of 0.49p ("Deferred Share") so as to form one class of New Ordinary Shares each New Ordinary Share having the rights and ranking *pari passu* in all respects with each other New Ordinary Share and one class of Deferred Shares with each Deferred Share having the special rights and being subject to the restrictions set out in paragraph (c) below. 03 + 2

(b) each of the 2,254,377,452 authorised but unissued ordinary shares of 0.5p each in the capital of the Company be and is hereby sub-divided into fifty new Ordinary Shares of 0.01p each ranking *pari passu* with the New Ordinary Shares arising pursuant to paragraph (a) of this resolution.

(c) the existing articles of association of the Company be and are hereby amended, so as to incorporate the special rights and restrictions attaching to the Deferred Shares, by: 1 A

(i) the insertion of the following paragraph in substitution for the existing Article

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"The issued share capital of the Company is £539,350.74 divided into 107,870,148 ordinary shares of 0.01p each ("Ordinary Shares") and 107,870,148 deferred shares of 0.49p each ("Deferred Shares"). Each Deferred Share has the rights and is subject to the restrictions set out in Article 3(c) below. The authorised share capital of the Company is £15,811,238 divided into 112,826,742,764 ordinary shares of 0.01p each,



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107,870,148 deferred shares of 0.49p each and 4,000,000 preference shares of £1 each."

(ii) the insertion of the following Article 3(C):

(a) "The special rights and restrictions attaching to the Deferred Shares shall be as follows:

(I) as regards income:

the Deferred Shares shall not entitle the holders thereof to receive any dividend or other distribution;

(II) as regards voting:

the Deferred Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any General Meeting of the Company;

(III) as regards capital:

on a return of capital on a winding up or otherwise the holders of Deferred Shares shall only be entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have received the sum of £10,000,000 for each Ordinary Share held by them and shall have no other right to participate in the assets of the Company; the Deferred Shares are liable to be cancelled without payment of any consideration to the holders thereof;

(IV) as regards transfers:

(b) the Company is hereby irrevocably authorised:

(I) to appoint a person to execute on behalf of any holder of Deferred Shares a transfer of all or any Deferred Shares and/or an agreement to transfer the same (without making payment therefor) to any such person as the Directors may determine as the custodian thereof;

(II) to cancel all or any of the Deferred Shares in accordance with the Act without making any payment therefor or obtaining the sanction of the holder thereof;

(III) if so authorised by the Articles of Association of the Company or otherwise, to purchase all or any of the Deferred Shares then in issue and to appoint a person to act on behalf of all holders of Deferred Shares to transfer and to execute transfers of all or any of the Deferred Shares to the Company for an aggregate consideration of one penny to be paid to such person (whether or not an officer of the Company) as the Directors may nominate to receive the consideration (who shall not be required to account to the holders of

the Deferred Shares in respect of such consideration and may retain the same for his benefit absolutely); and

(c) as regards variation of rights:

neither

(I) the passing by the Company of any resolution for a reduction of capital involving the cancellation of the Deferred Shares without any repayment of capital in respect thereof, or a reduction of share premium account, or the obtaining by the Company or the making by the Court of an order confirming any such reduction of capital or share premium account or the making effective of such order; nor

(II) the purchase by the Company in accordance with the provisions of the Act of any of its own shares or other securities or the passing of a resolution to permit any such purchase;

shall constitute a variation of rights;

d as regards further issues:

the rights conferred by the Deferred Shares shall not be varied or abrogated by the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares."

Resolution one was carried on a show of hands.

#### **Ordinary Resolution**

2. THAT:

for the purposes of Section 80 of the Companies Act 1985 (the "Act") the directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum nominal amount of £200,000 of the authorised but unissued ordinary and preference share capital provided that this authority shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 21 November 2010 whichever is earlier (unless and to the extent that such authority is renewed or extended prior to such date) except that the Company may before the expiry of such period make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such period and the directors may allot relevant securities in pursuance of any such offer or

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agreement as if the authority conferred hereby had not expired and that this authority shall be in addition to and shall not replace any existing like authority in respect of the authorised but unissued share capital.

Resolution two was carried on a show of hands

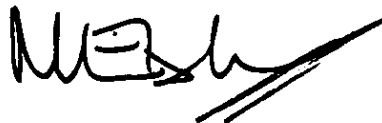
#### **Special Resolution**

3. **THAT:**

the directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) pursuant to the authority conferred upon them by resolution 2 above as if section 89(1) of the Act did not apply to any such allotment provided that such power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £10,000 and shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 21 November 2010 whichever is earlier (unless and to the extent that such authority is renewed or extended prior to such date) except that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would, or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Resolution three was carried on a show of hands.

The Chairman then declared the meeting closed.



Hugh Fleming  
Secretary

Merchant House Group Plc  
Registered Office  
7<sup>th</sup> Floor  
Aldermary House  
15 Queen Street  
London  
EC4N 1TX

21<sup>st</sup> August 2009