

TRAVERS SMITH

Dated 15 December 2011

(1) CANACCORD FINANCIAL INC.

(2) GILES VARDEY

IRREVOCABLE UNDERTAKING - DIRECTORS

IRREVOCABLE UNDERTAKING

To: Canaccord Financial Inc. (the "**Bidder**")
2200-609 Granville Street
Vancouver, BC
Canada

15 December 2011

Dear Sirs

Proposed acquisition of Collins Stewart Hawkpoint plc (the "**Target**") by the Bidder

I refer to the press announcement in the terms of the attached draft (the "**Press Announcement**") in connection with a proposed recommended offer by the Bidder to acquire all of the issued and to be issued ordinary share capital not already owned, or agreed to be acquired, by the Bidder in the Target (the "**Proposals**") and related arrangements described in the Press Announcement and any revised offer proposal which may be made by or on behalf of the Bidder from time to time or any other offer required to be made by the Bidder pursuant to the City Code on Takeovers and Mergers (the "**City Code**") and which is on terms no less favourable than those referred to in the Press Announcement. The terms and conditions of the Proposals as set out in the Press Announcement may be amended as required to comply with the Listing Rules, Prospectus Rules or Disclosure Rules of the Financial Services Authority, the Rules and Regulations of the London Stock Exchange plc, the AIM Rules for Companies published by the London Stock Exchange plc, the City Code and/or as agreed between the Target and the Bidder and in such circumstances, the terms of this irrevocable undertaking shall continue to apply notwithstanding such amendment provided the terms of the Proposals, as amended, are no less favourable than those referred to in the Press Announcement.

The Proposals will be implemented by way of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 (referred to in this undertaking as the "**Scheme**") or, if the Bidder elects (and to the extent required, the Panel on Takeovers and Mergers (the "**Panel**") agrees), by way of a takeover offer pursuant to section 974 of the Companies Act 2006 (referred to in this undertaking as an "**Offer**").

1. I hereby irrevocably and unconditionally undertake, warrant and represent to you in the following terms:
 - 1.1 I am the beneficial owner of (or am otherwise able to control the exercise of) all rights attaching to, including the ability to procure the transfer of, the ordinary shares of 25 pence each in the capital of the Target as specified in Schedule 1 and all securities which may be allotted in respect of, or which are attributable to or derived from, such shares (together called the "**Shares**"), free from any charge, option, lien, equity, restriction or encumbrance whatsoever and with the right to all dividends and distributions (if any) declared, made or

paid after the date of the Press Announcement. Save as disclosed in Schedule 1 and save for interests in Shares or securities of the Target which I have by virtue of options I hold under the Collins Stewart Hawkpoint plc Employee Share Schemes (as defined in the Press Announcement), there are no other Shares or other Target securities in which I am interested.

1.2 In the case of any Shares set out in Part 2 of Schedule 1 of which I am or become the beneficial owner (but not the registered holder) and all other securities which may be allotted in respect of, or which are attributable to or derived from such Shares, I undertake to procure that the registered holder(s) will comply with the terms of this undertaking as if it were also party to it.

1.3 I have the full power and authority and the right (free from any legal or other restrictions), and neither I nor the registered holder of any Shares (where applicable) will take any action which would cause me or us to cease having all relevant power and authority and the right, to enter into and perform the obligations in this undertaking in accordance with their terms.

1.4 I have the full power and authority to and will, or where applicable, will procure that the registered holder of the Shares will, in person or by proxy, cast all votes (whether on a show of hands or a poll) in relation to the Shares:

1.4.1 at the general meeting of the Target to be held in connection with the Proposals (the "**General Meeting**"); and

1.4.2 at the court meeting of the Target's shareholders convened by the court in connection with the approval of the Proposals (the "**Court Meeting**"),

in favour of all resolutions to approve and implement the Scheme together with any other resolutions to approve all other matters connected with the Proposals as set out in the notice of the General Meeting or Court Meeting contained in the document containing the terms and conditions of the Scheme (the "**Scheme Document**") (the "**Resolutions**") and, unless the Bidder directs otherwise, against any resolution or proposal to adjourn either the General Meeting or the Court Meeting.

1.5 I shall, after the posting of the Scheme Document (and without prejudice to my right to attend and vote in person at any meeting), return the signed forms of proxy enclosed with the Scheme Document (completed and signed and appointing the chairman to vote in favour of the Resolutions) in accordance with the instructions printed on such forms of proxy, as soon as possible and in any event within 10 days after the posting of the Scheme Document, or in respect of any Shares subsequently issued to me, within 5 days of such issue and agree not to revoke or withdraw the forms of proxy once they have been returned in accordance with this paragraph 1.5.

1.6 I acknowledge that the Bidder shall have the right and may elect at any time (and whether or

not the Scheme Document has been despatched) to implement the Proposals by way of a contractual takeover offer. If the Proposals are structured or restructured as a contractual takeover offer (within the meaning of section 974 of the Companies Act 2006), I will within 5 days of the despatch of the document containing the terms and conditions of the Offer (the "**Offer Document**") validly accept or procure the valid acceptance of the Offer in respect of all of the Shares in accordance with the procedure for acceptance set out or referred to in the Offer Document (or, in the case of Shares issued after such time, within 5 days of their issue).

- 1.7** With effect from the date hereof and until the Scheme becomes effective (or, if applicable, the Offer becomes unconditional) or either the Scheme or the Offer (as the case may be) lapses or is withdrawn, I will not and will procure that none of my connected persons shall, save as permitted by the City Code:
- 1.7.1** sell, transfer or otherwise dispose of or grant any option or create any encumbrance over all or any of the Shares (other than to the Bidder) or any interest therein in each case to an extent which would preclude me from performing my obligations in respect of the Shares contemplated by this agreement; nor
 - 1.7.2** accept nor directly or indirectly solicit any other offer in respect of all or any of the Shares, whether conditionally or unconditionally (by whatever means the same is to be implemented) nor enter into any negotiation to such effect (save to the extent that such negotiations form a part of negotiations in respect of any unsolicited offer for all of the issued shares in the Target and such negotiations are required by my fiduciary duties as a director of the Target); nor
 - 1.7.3** withdraw any form of proxy referred to in paragraph 1.5 or any acceptance referred to in paragraph 1.6 in respect of all or any of the Shares notwithstanding that I may have become entitled to withdraw it by virtue of the City Code (or any provision in the Scheme Document to that effect); nor
 - 1.7.4** (other than pursuant to the exercise of options held by me at the date hereof) acquire any further interests in or otherwise deal in any securities of the Target or the Bidder or any interest therein (including any derivatives referenced to such securities); nor
 - 1.7.5** at any time after announcement of the Proposals, exercise the voting rights attaching to the Shares in any manner which might impede or frustrate the Proposals or prevent a condition to the Proposals from being satisfied; nor
 - 1.7.6** (except where required by my fiduciary duties as a director of the Target or by my duties under the City Code and, in each case, only in response to an unsolicited approach) take any action which is or may be prejudicial to the

successful outcome of the Proposals or which would or might have the effect of preventing any of the terms or conditions of this undertaking or the Proposals from being fulfilled or satisfied; nor

1.7.7 enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise, whether conditional or unconditional, to do any act referred to in this paragraph 1.7 (except, in respect of any such agreement or arrangement to do any act referred to in paragraph 1.7.6, where required by my fiduciary duties as a director of the Target or by my duties under the City Code and, in each case, only in response to an unsolicited approach).

2. Unless it is improper or in conflict with my fiduciary duties as a director of the Target and/or the City Code, I will recommend all the shareholders of the Target to vote in favour of the Scheme (or, if applicable, accept the Offer) and provide or procure such information and do or procure such acts as may be reasonably required of me as a director to expedite the despatch of the Scheme Document or Offer Document (as applicable) (and all related and ancillary documents in order to comply with legal and regulatory requirements) and the convening of any general meetings of the Target or any class meeting of any class of share in the Target which may be necessary or desirable in relation to the Proposals.

3. I further undertake that unless and until the Scheme or Offer (as applicable) lapses or is withdrawn (and for so long as I continue to be a director of the Target, insofar as I am able so to do and subject always to my fiduciary duties as a director of the Target and to the extent applicable):

3.1.1 I will exercise all of my powers as a director of Target to procure the convening of such meetings of directors or members of the Target (if so requested by the Bidder) as may be necessary to pass such resolutions as may be necessary to enable the Proposals to be implemented;

3.1.2 I will (insofar as I am entitled to do so taking account of the City Code) exercise or procure the exercise of the votes attaching to the Shares at any class or general meeting of members of the Target convened after announcement of the Proposals as the Bidder may direct in respect of any resolution (whether or not amended) the passing of which assists the implementation of the Proposals;

3.1.3 I will provide all reasonable assistance to the Bidder as may be required to obtain any clearances and consents referred to in the Press Announcement;

3.1.4 I will use all reasonable endeavours to procure that the board of directors of the Target shall approve the registration of all transfers of shares made pursuant to or in connection with the Proposals if structured by way of an Offer (subject to the same being duly stamped if required) in the event that the Offer becomes

unconditional;

3.1.5 I will use all reasonable endeavours, so far as I am able to do so but without assuming any personal liability therefor, to procure that the Target complies with its obligations under the cooperation letter to be entered into between the Bidder and the Target prior to the Press Announcement being released and which relates to the obtaining of regulatory approvals and share scheme proposals in connection with the Acquisition; and

3.1.6 upon the Scheme becoming effective or the Offer becoming unconditional in all respects, I will exercise all of my powers as a director to procure the appointment as additional directors of the Target of such persons as the Bidder shall nominate (subject to the provisions of the Articles of Association of the Target) and, if required by the Bidder, I shall resign from my role as a non-executive director of the Target (without prejudice to my rights in relation to (i) remuneration accrued but unpaid at the date that my resignation becomes effective, (ii) expenses claims relating to the period up to but not including the date that my resignation becomes effective and (iii) fees payable in lieu of the notice period under the terms of the letter of appointment between me and the Company (as if my resignation had been given on the date of this undertaking), which shall be due to me net of any deductions required by law (and which I acknowledge shall be payable ~~after~~ the Effective Date), and on the understanding that you will procure that the Target will not exercise any right it may have under my contract of employment to terminate my employment solely by reason of that resignation).

within 14 days of. DV.

4. I acknowledge that the release of the Press Announcement is at the Bidder's absolute discretion and that the Bidder shall not be required to announce or (subject to the stipulations of the Panel) make an offer to acquire the Target.

5. This undertaking is conditional on, and it shall lapse and I shall cease to be bound by the obligations in this undertaking if:

5.1 the Bidder announces, with the consent of the Panel, that it does not intend to make or proceed with the Proposals and no new, revised or replacement offer to acquire the Target is announced by the Bidder in accordance with Rule 2.7 of the City Code at the same time; or

5.2 the Press Announcement is not released by 7.00 a.m. on *16* December 2011;

5.3 the Scheme or Offer (as applicable) lapses or is withdrawn and no new, revised or replacement Scheme or Offer has then been announced in its place in accordance with Rule 2.7 of the City Code, or is announced by the Bidder in accordance with Rule 2.7 of the City Code within 5 business days.

6. Where applicable, this undertaking shall extend to any shares in the ordinary share capital of the Target to which I may become entitled upon the exercise of options held by me as if they constituted "Shares" as defined in paragraph 1.1 but so that my obligation in paragraph 1.6 shall be performed within 3 business days of the allotment to me of such shares.
7. In order to secure the performance of my obligations under paragraph 1, I hereby irrevocably appoint the Bidder (with power to delegate the performance of its powers and rights under this appointment (other than this power of delegation) to any director for the time being of the Bidder) to be my attorney in my name and on my behalf to execute a Form or Forms of Acceptance or Form or Forms of Proxy and/or such other documents and to do such other acts and things as may be necessary to accept (or procure the acceptance of) the Proposals in respect of the Shares specified in Schedule 1 and I declare that this power of attorney shall be irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 provided however that such appointment shall not take effect until the expiry of 3 business days from the date of despatch of the Scheme Document or Offer Document (as applicable) and only then if I shall have failed to comply with my obligations in paragraphs 1.5 and 1.6 (as applicable).
8. Time shall be of the essence as regards any time, date or period mentioned in this undertaking or extended by mutual agreement. I agree that, if I fail to accept the Proposals in accordance with this undertaking or breach any of my obligations, damages would not be an adequate remedy and accordingly the Bidder shall be entitled to the remedies of injunction, specific performance and any other equitable relief.
9. This undertaking shall be governed by and construed in accordance with English law and I hereby irrevocably submit for the benefit of the Bidder to the non-exclusive jurisdiction of the English courts.

Dated: 15 December 2011

Giles Vardey
Rose Cottage
Watery Lane
Donhead St Mary
Shaftesbury
Dorset
SP7 9DF

Executed as a deed by Giles Vardey
in the presence of:

Witness' signature: [Signature]

Witness' name: Jack Patrick

Address: MACFARLANES LLP
20 LOMBARD ST
LONDON EC4A 3DF

Occupation: Solicitor

SCHEDULE 1

Part 1

Shares of which I am the Beneficial and Registered Holder

<u>Name and address of registered holder</u>	<u>Number of ordinary shares of 25p each in the</u> <u>Target</u>
Giles Vardey Rose Cottage Watery Lane Donhead St Mary Shaftesbury Dorset SP7 9DF	0

Part 2 (where applicable)

Shares of which I am the Beneficial but not the Registered Holder

<u>Name and address of registered holder</u>	<u>Number of ordinary shares of 25p each in the</u> <u>Target</u>
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