

SHAREHOLDER IRREVOCABLE UNDERTAKING

The Fine Art Auction Group Limited ("TFAAG")
11 Adelphi Terrace
London WC2N 6BJ

The Stanley Gibbons Group plc ("Stanley Gibbons")
2nd Floor
Minden House
Minden Place
St Helier
Jersey JE2 4WQ
Channel islands

Peel Hunt LLP ("Peel Hunt")
Moor House
120 London Wall
London EC2Y 5ET

29 September 2014

Dear Sirs

Recommended acquisition of Mallett PLC (the "Company")

We understand that TFAAG is considering the acquisition of all of the issued and to be issued ordinary share capital of the Company, substantially on the terms and subject to the conditions set out or referred to in a draft announcement to be made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the "Code"), a copy of which is annexed hereto (the "Announcement") and/or on such other terms and conditions as may be required by the Code and/or to comply with the requirements of the Panel on Takeovers and Mergers (the "Panel"), the Financial Conduct Authority (the "FCA"), London Stock Exchange plc (the "London Stock Exchange") (including the AIM Rules) or any other relevant securities exchange and/or as are customarily included in offers made under the Code (the "Acquisition").

In this undertaking:

- (a) the "Companies Act" means the Companies Act 2006;
- (b) the "Offer" means an offer made by or on behalf of TFAAG to acquire all the issued and to be issued ordinary share capital of the Company other than that already owned by TFAAG and its associates (as defined in section 988 of the Companies Act) (if any) substantially on the terms and conditions set out in the Announcement or on such other terms as may be agreed between TFAAG and the Company or as may be required to comply with the requirements of the Panel, the FCA or the London Stock Exchange;

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- (c) the "Scheme" means an offer, to be implemented by means of a scheme of arrangement of the Company under Part 26 of the Companies Act, made by or on behalf of TFAAG to acquire all the issued and to be issued ordinary share capital of the Company other than that already owned by TFAAG and its associates (as defined in section 988 of the Companies Act) (if any) substantially on the terms and conditions set out in the Announcement or on such other terms as may be agreed between TFAAG and the Company or as may be required to comply with the requirements of the Panel, the Companies Act, the Court, the FCA or the London Stock Exchange;
- (d) a reference to the "Offer" or the "Scheme" also includes any new, increased, renewed or revised offer made by or on behalf of TFAAG to acquire shares in the Company or, as the case may be, any new, increased, renewed or revised scheme of arrangement for the acquisition by the TFAAG of shares in the Company; and
- (e) references to a person "dealing" or having an "interest" in "relevant securities" shall each be interpreted in accordance with the Code.

Although the Acquisition will initially be structured as an Offer, it may, with the consent of the Panel, be structured instead as a Scheme (and accordingly reference is made in this undertaking to both the Offer and the Scheme).

1. Warranties and undertakings

We irrevocably and unconditionally warrant, represent, undertake and agree to or with each of TFAAG, Stanley Gibbons and Peel Hunt that:

- (a) we are the beneficial owner of (or are otherwise able to control the exercise of all voting rights attaching to, and have the ability to procure the transfer of) the number of ordinary shares of 5 pence each in the Company specified in the Schedule (the "Target Shares") (which expression shall include any other shares in the Company issued after the date of this undertaking which are attributable to or derived from the Target Shares);
- (b) we are not interested in any shares or other securities of the Company other than the Target Shares nor do we have any options or rights to subscribe for, purchase or otherwise acquire any shares or other securities of the Company;
- (c) we have all relevant power and authority to transfer, or procure the transfer of, the Target Shares free from all liens, charges, equitable rights, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them including voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, paid or made on or after the date of this undertaking;
- (d) we have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to enter into and perform our obligations under this undertaking in accordance with their terms;
- (e) we shall not prior to this undertaking lapsing in accordance with paragraph 4 below:

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- (i) other than pursuant to the Offer or the Scheme, sell, transfer, charge, encumber, pledge or grant any option or lien over or otherwise dispose of, or permit or procure the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of the Target Shares or any interest in any of the Target Shares;
- (ii) accept or permit to be accepted any other offer, in competition with the Offer or the Scheme, in respect of all or any of the Target Shares (whether it is conditional or unconditional, whether it comprises a higher offer or not and irrespective of the means by which it is to be implemented);
- (iii) exercise, or permit the exercise of, any voting rights attaching to the Target Shares in favour of any resolution to approve any scheme of arrangement of the Company which is proposed in competition with the Offer or the Scheme;
- (iv) (other than pursuant to the Offer or the Scheme) enter into any agreement or arrangement, or permit or procure any agreement or arrangement to be entered into, or incur any obligation, or permit or procure any obligation to arise:
 - A. to do all or any of the acts referred to in sub-paragraphs (i), (ii) or (iii) above; or
 - B. which would or might restrict or impede our acceptance of the Offer or voting in favour of the Scheme or otherwise preclude us from complying with our obligations under sub-paragraphs (i), (ii) or (iii) above,
 and references in this sub-paragraph (iv) to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not legally binding or subject to any conditions or which is to take effect upon or following the Offer or, as the case may be, the Scheme lapsing or being withdrawn or ceasing to be effective or upon or following this undertaking ceasing to be binding or upon or following any other event; or
- (v) prior to the earlier of this undertaking lapsing in accordance with paragraph 4 below or the Offer becoming, or being declared, unconditional as to acceptances or the Scheme becoming effective in accordance with its terms, we will not acquire any further interest in any shares or convertible loan notes in the Company and, if any such shares, securities or interest are acquired by us, such shares, securities or interest (as the case may be) shall be deemed to be included in the expression the "Target Shares" for the purposes of this undertaking.

2. Offer

If the Acquisition is implemented by way of the Offer, we irrevocably and unconditionally undertake to each of TFAAG, Stanley Gibbons and Peel Hunt that:

- (a) we shall as soon as possible and in any event within seven days after the posting of the formal document containing the Offer (the "Offer Document") (or, in respect of any shares allotted to or acquired by us after the posting of the Offer Document, within seven days after such allotment or acquisition or, if earlier, by not later than the day before the first closing date of the Offer) duly accept or procure acceptance of the Offer in accordance with its terms in respect of the Target Shares and, in respect of any Target Shares held in certificated form, shall forward or procure the forwarding of the relevant share certificate(s) to TFAAG or its nominated representative (or a

form of indemnity acceptable to the directors of the Company in respect of any lost certificate(s)) at the time of acceptance and, in respect of any Target Shares held in uncertificated form, shall take or procure the taking of any action which may be required by TFAAG or its nominated representative;

- (b) notwithstanding that the terms of the Offer Document and the Code will confer rights of withdrawal on accepting shareholders, we shall not withdraw any acceptance of the Offer in respect of the Target Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Target Shares are exercised unless and until this undertaking shall lapse in accordance with paragraph 4 below;
- (c) the Target Shares shall be acquired by TFAAG free from all liens, charges, equitable rights, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them including voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, paid or made on or after the date of this undertaking.

3. Scheme

If the Acquisition is implemented by way of the Scheme, we irrevocably and unconditionally undertake to each of TFAAG, Stanley Gibbons and Peel Hunt that:

- (a) we will or, where applicable, will procure that the registered holder of the Target Shares will exercise all voting rights attached to the Target Shares to vote in favour of all resolutions (whether or not amended) to approve the Scheme, and any related matters, proposed at the Court convened meeting (the "**Court Meeting**") and any general or class meeting of the Company (the "**General Meeting**") to be convened and held in connection with the Scheme, or at any adjournment of any such meeting;
- (b) for the purpose of voting on any resolution referred to in paragraph (a) above, we will execute (or where applicable, procure the execution of) any forms of proxy in respect of the Target Shares required by TFAAG appointing any person nominated by TFAAG to attend and vote at any Court Meeting or General Meeting;
- (c) without prejudice to paragraph (b) above, and in the absence of any such requirement by TFAAG, we shall after the posting of the circular to be sent to shareholders of the Company containing an explanatory statement in respect of the Scheme (the "**Scheme Document**") (and without prejudice to any right we have to attend and vote in person at the Court Meeting and the General Meeting to implement the Acquisition), return, or procure the return of, if applicable, the executed forms of proxy enclosed with the Scheme Document (completed and executed and voting in favour of the resolutions to implement the Acquisition) in accordance with the instructions printed on those forms of proxy and, if applicable, in respect of any Target Shares held in uncertificated form, take or procure the taking of any action which may be required by TFAAG or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the resolutions to implement the Acquisition), as soon as possible and in any event within seven days after the posting of the Scheme Document or (or, in respect of any shares allotted to or acquired by us after the posting of the Scheme Document, within seven days after such allotment or acquisition or, if earlier, by not later than the day before the date specified for the lodgement of proxies, proxy appointments or proxy instructions);

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- (d) we will not revoke (or procure that there is no revocation of) the terms of any proxy submitted in accordance with paragraph (c) above, either in writing or by attendance at any General Meeting or Court Meeting or otherwise.

4. Lapse

Our obligations, undertakings, representations and warranties in this undertaking shall lapse (except in respect of any antecedent breach) if:

- (a) the Announcement is not released on or before 26 September 2014 (or such later date as may be agreed between TFAAG and the Company);
- (b) the Offer Document or the Scheme Document (as the case may be) is not sent to the shareholders of the Company within 28 days of the date of the Announcement;
- (c) the Offer or the Scheme lapses or is withdrawn (except where such lapse or withdrawal occurs in circumstances where TFAAG elects, for any reason, to switch from the Offer to a Scheme in order to implement the Acquisition (or vice versa));
- (d) a person other than TFAAG or a person acting in concert with TFAAG announces in accordance with the Code a firm intention to make a general offer not expressed to be subject to any pre-condition for the entire issued and to be issued ordinary share capital of the Company (not already owned by such person (or persons acting in concert with it)) which offer provides for an amount or value of consideration per ordinary share which, in the reasonable opinion of Peel Hunt, represents an improvement in excess of 10% of the value of the Offer.

5. Miscellaneous

- (a) The obligations and provisions set out in this undertaking apply equally to the persons from whom we are to procure acceptance of the Offer pursuant to the terms of paragraph 2 above or (as the case may be) votes in favour of the resolutions to implement the Acquisition pursuant to paragraph 3 above, and we shall take all reasonable steps to procure the observance by such persons of the terms hereof as if they were each specifically a party hereto.
- (b) We consent to the issue of an announcement incorporating references to us and to this undertaking substantially in the terms set out in the Announcement. We consent to this undertaking being disclosed to the Panel. We understand that, if the Acquisition proceeds, this undertaking will be made available for inspection during the offer period (as defined in the Code) and that particulars of it will be contained in the Offer Document or the Scheme Document (as the case may be). We undertake to provide you with all such further information in relation to our interest and that of any person connected with us as you may require in order to prepare the Announcement, the Offer Document or the Scheme Document or to comply with the rules and requirements of the Code, the Companies Act, the Court, the FCA, the London Stock Exchange (including the AIM Rules), the Panel and any other legal or regulatory requirements for inclusion in the Scheme Document or the Offer Document (as the case may be) (or any other document required in connection with the Acquisition).
- (c) We will, save as required by law or any rule of any relevant regulatory body or stock exchange, keep secret the possibility, terms and conditions of the Acquisition and the existence and terms of this undertaking until an announcement of, or relating to, the Acquisition or this undertaking is

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made under Rule 2 of the Code or the information has otherwise become generally publicly available.

- (d) We confirm that we are not the customer or deemed customer of Peel Hunt and that Peel Hunt does not owe us any duties or responsibilities (whether as regards best execution, suitability or otherwise) in connection with the Acquisition as its customer or deemed customer.
- (e) We acknowledge that, if we fail to comply with our obligations under paragraphs 1, 2 or 3 above, or should otherwise be in breach of any of our obligations under this undertaking, damages alone would not be an adequate remedy and that an order for specific performance would be an essential element of any adequate remedy for such failure or breach.
- (f) Any time, date or period mentioned in this undertaking may be extended by mutual agreement between TFAAG and us but as regards any time, date or period originally fixed or so extended time shall be of the essence.
- (g) We acknowledge that nothing in this undertaking obliges TFAAG or Stanley Gibbons to proceed with the Acquisition if it is not required to do so under the Code.
- (h) This undertaking shall bind our successors in title.
- (i) This undertaking shall be governed by and construed in accordance with English law and we irrevocably submit to the exclusive jurisdiction of the English courts to settle any dispute arising out of or in connection with this undertaking.
- (j) If the Acquisition lapses or is withdrawn, we will have no claim against TFAAG or Stanley Gibbons.

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THE SCHEDULE

THE TARGET SHARES

<i>Exact name(s) and address(es) of registered holder as appearing on the register of members</i>	<i>No. of Ordinary Shares of 5 pence each</i>
Chase Nominees Limited Norbank Acct PO Box 7732 1 Chaseside Bournemouth BH1 9XA	3,897,500

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IN WITNESS of which this undertaking has been executed and has been delivered on the date set out below.

SIGNED as a deed on behalf of
BRONSSTADET AB, a company
incorporated in Sweden, by
PETER GYLLENHAMMAR, being a
person who, in accordance with the
laws of that territory, is acting under
the authority of the company


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Authorised signatory

Date: 29 September 2014