

HED CAPITAL MANAGEMENT LIMITED

(the "Company")

Minutes of an Extraordinary General Meeting "EGM" of the Company held at 124 Sloane Street, London SW1X 9BW on 5 August 2003 at 10:00 hours.

Present:

Richard Edwards(Chairman)
Christopher Munro
Jeremy Plummer (by telephone)
Mark Johnson (by telephone)
Angus Collett representing River & Mercantile plc

1. Notice and Quorum

- 1.1 It was noted that all shareholders of the company were present or represented at the meeting. All shareholders had agreed to waive the notice requirements associated with an EGM. It was therefore agreed that the meeting had been duly convened, was quorate and could proceed to business.
- 1.2 Pursuant to section 317 of the Companies Act 1985, it was reported that, where applicable, each director of the Company had declared all of the interests that he held, directly or indirectly, which he was required by statute or otherwise to disclose and no director at the meeting was disqualified from voting at the meeting or forming part of the quorum.

2. Introduction

- 2.1 The Chairman reported that due to delays in fund raising for the Beaufort Chaos Fund the Company had a requirement for further funding from its shareholders.
- 2.2 The Chairman reported that in the event that additional capital could not be raised the directors would have to put the company into liquidation.
- 2.3 The Chairman reported that the Preference Investors had submitted letters of application to the Company for a further 200,000 preference shares in the company.
- 2.4 The Chairman reported that were this application to be accepted the money raised would be sufficient to finance the company until the end of September 2003. It was therefore noted that the company would need to raise further additional funding to see it to cashflow breakeven. The shareholders agreed to consult amongst themselves as to how the additional funding requirements of the business could be met.
- 2.5 The Chairman reported that the authorised preference share capital of the company had all been issued. Accordingly, if additional preference shares were to be issued the authorised preference share capital of the company needed to be increased.



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3. Resolutions

It was **resolved** that:

The authorised preference share capital of the company be increased by 500,000 shares of £0.0001 each.

THERE BEING no further business, the meeting closed.

Richard Edwards

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Chairman