

**Board of Directors Minutes**

**Schneider Trading Associates Limited**

**Date:** 14 December 2007

**Time:** 17.00

**Venue:** Boardroom, 4<sup>TH</sup> Floor, 25 Copthall Avenue, London EC2R 7BP

Present, George Busfield (GB), Matthew Cheung (MC), Steve Morgan (SM), Sonny Schneider (SNE), Ranvir Singh (RS).

Preliminaries

1. Apologies - none
2. It was noted that a quorum was formed
3. The Company has not appointed a Chairman and therefore the directors may appoint a Chairman of the meeting. It was proposed by Steve Morgan that Mr Sonny Schneider, being willing, take the Chair: he was appointed Chairman of the Meeting.
4. Board invited Shaun Pratley (SP) to record Company Minutes with immediate effect.

Matters Arising

5. GB raised the issue that the decisions which were appropriate for Board approval were not being made in Board meetings or by the Board as a whole. Specifically a lack of a management pack, or similar, to the Board meant that the Board meetings were not effective as desired. An example on the outsourcing of HR was provided where an earlier discussion had been undertaken by the Board with no facts on costs, services and standards were available. In these circumstances Directors are therefore less able to undertake their Fiduciary duties.
6. GB believes this materially effects profits. YTD agreed that the profit is £32,000 but believes the figure would be nearer £75,000 with more effective systems and controls.
7. RS, highlighted improved month on month profitability
8. GB disagreed with RS view that there had been month on month profitability although agreeing to disagree, confirming that the lack of a management information pack leads to differences of opinions on what should be clear facts.

- 9a GB had a specific issue with a proposed office move. He was concerned the decision to move office had already been made without sufficient consideration or agreement from all the Directors. GB claimed he had been told by RS that RS would be giving notice today (14 December 2007) on the Copthall Avenue office.
- 9b RS denied this stating that while he was looking at other offices no such conversation took place with GB and that he would not act in a way which was so detrimental to the company. In particular the sequence of events would be that his first action in any office move would be to sign a lease elsewhere before giving notice on the Copthall Avenue Office.
- 9c SM confirmed his belief that there was an imminent office planned move but without the knowledge of the exact timing.
- 10 GB queried the line in the available financial report that indicated £50,000 of travel and entertainment expenses (T&E) had been incurred.
- 11a RS/MC both questioned the validity of the accounts because there is no line by line breakdown which shows that T&E includes marketing expenditure, publications, printing, conferences rather than just standard T&E. This is primarily driven by the firm's credit/debit card payment for services situation, which means any card payment no matter what it is incurred for appears on the accounts as T&E.
- 11b MC detailed an example of Ventrillo (an IT service) as a cost that is paid on a personal credit card and therefore appears on the accounts as T&E.
- 11c RS confirmed the need to use a card to pay for many services and group policy prevented the use of a Company Credit Card only a Debit Card. RS indicated a Company Debit Card had been in use when a £15,000 clone fraud had taken place and therefore believed that it was in the best interests that the company does not have a Debit Card.
- 11d GB does not want personal cards to be used when incurring Company Expense. SM agreed with RS that a Debit Card represents an unnecessary risk. RS & GB both request the company to obtain a Credit Card, SNE accepts a Company Debit Card would be a solution. All Directors agreed to request Finance (Ronny Munster) to provide alternative solutions but with effect from 1 January 2008 the Company Charge Card would be used to pay for all non T&E expenditure. RS confirm that a cap would be placed on genuine T&E expense from 2008.
- 12 The Board agreed that expenses would be capped, material decisions to go to the board prior to their execution and a more conciliatory approach should be adopted between all Directors.

13a SNE asked RS & MC to provide the Board with an explanation of events surrounding another LLP partner, RAN and a mutual client.

13b RS explained that a debt had been written off by the company in relation to non payment from the client after the completion of a free introductory period. The LLP partner was concerned that RAN billing the client may result in the loss of the client. The LLP partner had then arranged to keep the client by paying an agreed amount representing the back dated subscription on behalf of the client. RS and MC were paid this money directly. RS believed they were acting in a personal matter and they did not have to consider the interests of the company. RS admits to receiving the money. RS offers to pay the money over to the company.

13c SNE, SM, GB disagree with the view that RS & MC were acting in a personal capacity. SNE, SM & GB all agree the payment should be made to the company.

5.30pm – meeting adjourned.

5.35pm – meeting recommences

13d RS again confirms receiving the funds and again confirms the issue as a personal matter not a company matter. Again he offers to repay the funds to the Company.

13e MC concurs with RS statement

13f SNE requests on behalf of all the Directors for RS & MC's resignation

13g RS agrees to resign

13h MC agrees to resign

14. There being no further business the Chairman declared the meeting close.

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Chairman of the Meeting