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**TAWA PLC**  
**SCHEDULE OF RESERVED MATTERS**

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**LEBOEUF, LAMB, GREENE & MACRAE**  
NO. 1 MINSTER COURT  
MINCING LANE  
LONDON EC3R 7YL

**Schedule of Matters Reserved  
for decision by the Board of Directors of  
Tawa PLC (the "Company")**

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An effective Board controls the business but delegates day to day responsibility to the executive management. That said there are a number of matters which are required to be or, in the interests of the Company, should only be decided by the Board of Directors as a whole. It is incumbent upon the Board to make it clear what these **Matters Reserved for the Board** are.

**Delegation**

Certain of the matters may be delegated to or be the subject of recommendation from the:

1. Audit Committee;
2. Remuneration Committee; or
3. Nomination Committee.

Items marked \* are not considered suitable for delegation to a committee of the Board, for example, because of company law requirements or because under the recommendations of the Combined Code on Corporate Governance published in June 2006 by the Financial Reporting Council, they are the responsibility of an audit, nomination or remuneration committee, with the final decision required to be taken by the Board as a whole.

**Urgent matters (to be read as being subject to the Company's Articles of Association)**

It is important to establish procedures for dealing with matters which often have to be dealt with urgently, often between regular Board meetings. It is recommended that a telephone or video conference meeting should be held for such urgent matters, in which as many directors as possible participate. This allows directors the opportunity to discuss the matter and ask questions. Any director who cannot attend should still be sent the relevant papers and have the opportunity to give their views to the Chairman, another director or the company secretary before the meeting. If the matter is routine and discussion is not necessary the approval of all the directors may be obtained by means of a written resolution. In all cases however the procedures should balance the need for urgency with the overriding principle that each director should be given as much information as possible, the time to consider it properly and an opportunity to discuss the matter prior to the commitment of the Company. For the purpose of this schedule, 'Group' means the Company and its subsidiary undertakings from time to time except that decisions in respect of the operation and management of the Group's run-off companies and in respect of third party services provided by the subsidiaries shall generally not be reserved to the Board, and shall be for the management of such companies, except where such decisions and procedures (i) are significant to the

strategy and objectives of the Group or (ii) are to ensure that effective financial reporting and internal controls are in place (iii) are to approve contracts to purchase target companies or businesses. In addition, the procedures in this schedule as they pertain to the Company's subsidiaries, shall be subject to any restrictions to the Group's control over such subsidiaries resulting from the amount of the Group's holding in such subsidiary or from applicable provisions in any constitutional documents, shareholders' agreements or any applicable tax legal or regulatory considerations. **In all cases, the procedures recommended above shall be subject to the provisions of the Company's Articles of Association.**

<b>1.</b>	<b>Strategy and Management</b>
<b>1.1</b>	Responsibility for the overall management of the Group.
<b>1.2</b>	Approval of the Group's long term objectives and commercial strategy.
<b>1.3</b>	Approval of the annual operating and capital expenditure budgets and any material changes to them.
<b>1.4</b>	Approval of the Group's acquisition strategy.
<b>1.5</b>	Oversight of the Group's operations ensuring: <ul style="list-style-type: none"> <li>• competent and prudent management;</li> <li>• sound planning;</li> <li>• an adequate system of internal control;</li> <li>• adequate accounting and other records;</li> <li>• consideration of any material change to the listing of the Company's shares on AIM including establishing an additional listing of the Company's shares on any stock exchange or any de-listing of the Company's shares from any stock exchange; and</li> <li>• compliance with statutory and regulatory obligations.</li> </ul>
<b>1.6</b>	Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
<b>1.7</b>	Extension of the Group's activities into new business.
<b>1.8</b>	Any decision to cease to operate all or any material part of the Group's business (including in order to avoid wrongful or fraudulent trading).
<b>1.9</b>	Any change in the Company's domicile or status.

<b>2.</b>	<b>Structure and capital</b>
<b>2.1</b>	Changes relating to the Group's capital structure including raising new capital, reduction of capital, share issues (except under employee share plans), share buy backs including the use (if any) of treasury shares and allotments, calls or forfeitures of shares.
<b>2.2</b>	Major changes to the Group's corporate structure.
<b>2.3</b>	Changes to the Group's management and control structure.
<b>2.4</b>	Any changes to the Company's admission to trading on AIM or its status as a public company.
<b>3.</b>	<b>Financial reporting and controls</b>
<b>3.1</b>	* Approval of preliminary announcements of interim and final results.
<b>3.2</b>	* Review of management accounts and reports from any compliance officer of the Company.
<b>3.3</b>	* Approval of the annual report and accounts, including the corporate governance statement and remuneration report <sup>1</sup> .
<b>3.4</b>	* Discussion of any proposed qualification to the accounts.
<b>3.5</b>	* Approval of the dividend policy.
<b>3.6</b>	* Declaration of the interim dividend and recommendation of the final dividend.
<b>3.7</b>	* Approval of any significant changes in accounting policies or practices.
<b>3.8</b>	Approval of treasury policies including foreign currency and interest rate exposure and the use (if any) of financial derivatives.

<sup>1</sup> This item is often considered by the whole board but with the final formal decision being delegated to a committee (set up solely for that purpose). This allows time for any changes requested at the board meeting to be incorporated into the final document before publication.

<b>4.</b>	<b>Internal controls</b>
<b>4.1</b>	<p>Ensuring maintenance of a sound system of internal control and risk management including:</p> <ul style="list-style-type: none"> <li>• receiving reports on, and reviewing the effectiveness of, the Group’s risk and control processes to support its strategy and objectives;</li> <li>• undertaking an annual assessment of these processes; and</li> <li>• approving an appropriate statement for inclusion in the annual report.</li> </ul>
<b>5.</b>	<b>Contracts &amp; Transactions</b>
<b>5.1</b>	Approval of substantial transactions exceeding 10 per cent in any of the AIM class tests (Rule 12 of the AIM Rules).
<b>5.2</b>	Approval of transactions with related parties (which exceeds 5 per cent in any of the AIM class tests) (Rule 13 of the AIM Rules).
<b>5.3</b>	<p>Approval of transactions constituting a reverse take-over (Rule 14 of the AIM Rules) such as an acquisition or acquisitions in a twelve month period which for the Company would:</p> <ul style="list-style-type: none"> <li>• exceed 100% in any of the class tests; or</li> <li>• result in a fundamental change in its business, board or voting control.</li> </ul>
<b>5.4</b>	Approval of any disposal which, when aggregated with any other disposal or disposals over the previous 12 months, exceeds 75 per cent in any of the AIM class tests (Rule 15 of the AIM Rules).
<p><i>Note: Approval of capital projects and contracts that relate to the operation and management of the Group's run-off companies and in respect of third party services provided by the subsidiaries (including, without limitation, payments in relation to claims and commutations) shall generally not be reserved to the Board, and shall be for the management of such companies, except where such decisions and procedures (i) are significant to the strategy and objectives of the Group or (ii) are to ensure that effective financial reporting and internal controls are in place (iii) are to approve contracts to purchase target companies or businesses.</i></p>	
<b>5.5</b>	Major capital projects involving expenditure exceeding £500,000.
<b>5.6</b>	Approval of contracts which are material strategically (including contracts in excess of one year’s duration) or by reason of size, entered into by the Company or any subsidiary in the ordinary course of business, for example, all contracts to purchase target companies or businesses, bank borrowings above £5,000,000 and acquisitions or disposals of fixed assets above £1,000,000.
<b>5.7</b>	Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments above £10,000,000; foreign currency

	transactions above £5,000,000; major acquisitions or disposals above £5,000,000; joint ventures involving assets of more than £5,000,000 or gross revenue per annum of more than £10,000,000.
<b>5.8</b>	Major investments including the acquisition or disposal of interests of more than 5 per cent in the voting shares of any company or the making of any takeover offer if such investment is in excess of the limits set out in 5.7.
<b>5.9</b>	Actions or transactions where there may be doubt over propriety.
<b>5.10</b>	Disclosure of directors' interests.
<b>5.11</b>	Transactions with directors or other related parties.
<b>5.12</b>	Issue of letters of comfort, guarantees or indemnities in excess of \$5,000,000.
<b>6.</b>	<b>Borrowings</b>
<b>6.1</b>	Confirmation of major financing facilities, approval of any credit arrangements or similar financial facilities to be entered into by the Company or its subsidiary undertakings and giving of security over significant Group assets (including mortgages and charges over the Group's property).
<b>7.</b>	<b>Communication</b>
<b>7.1</b>	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
<b>7.2</b>	* Approval of all circulars and admission documents or prospectuses.
<b>7.3</b>	* Approval of all announcements concerning matters decided by the Board or required to be released under the AIM Rules (including AIM Rule 11 (General Disclosure of price sensitive information), Rule 12 (Substantial transactions), Rule 13 (Related party transactions), Rule 14 (Reverse take-overs), Rule 15 (Disposals resulting in fundamental change of business) and Rule 17 (Disclosure of miscellaneous information) (however, approval of announcements under Rule 17 of any deals by directors and dealings by significant shareholders (3 per cent of shares or more) could be delegated to a committee for administrative convenience).
<b>8.</b>	<b>Board membership and other appointments</b>

<b>8.1</b>	* Changes to the structure, size and composition of the Board, following recommendations from the nomination committee.
<b>8.2</b>	* Ensuring adequate succession planning, training, development and appraisal for the board and senior management.
<b>8.3</b>	* Appointments to the Board, following recommendations by the nomination committee.
<b>8.4</b>	* Selection of the Chairman of the Board and the Chief Executive Officer.
<b>8.5</b>	* Appointment of the Senior Independent Director.
<b>8.6</b>	* Membership and Chairmanship of Board committees.
<b>8.7</b>	* Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
<b>8.8</b>	* Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
<b>8.9</b>	* Appointment or removal of the company secretary.
<b>8.10</b>	* Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.
<b>8.11</b>	Appointment or removal of any internal auditor.
<b>8.12</b>	Appointments to and removals from boards of subsidiaries and other senior management appointments and removals.
<b>9.</b>	<b>Remuneration</b>
<b>9.1</b>	* Determining the remuneration policy for the directors, company secretary and other senior executives.
<b>9.2</b>	Determining the remuneration of the non-executive directors, subject to the Articles of Association and shareholder approval as appropriate.

<b>9.3</b>	* The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
<b>10.</b>	<b>Delegation of Authority</b>
<b>10.1</b>	* The division of responsibilities between the Chairman and the Chief Executive Officer which should be in writing.
<b>10.2</b>	* Approval of terms of reference of Board committees.
<b>10.3</b>	* Receiving reports from Board committees on their activities.
<b>11.</b>	<b>Corporate governance matters</b>
<b>11.1</b>	* Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.
<b>11.2</b>	* Determining the independence of directors.
<b>11.3</b>	* Considering the balance of interests between shareholders, employees, customers and the community.
<b>11.4</b>	Review of the Group's overall corporate governance arrangements.
<b>11.5</b>	* Receiving reports on the views of the Company's shareholders.
<b>12.</b>	<b>Policies</b>
<b>12.1</b>	Approval of policies, including: <ul style="list-style-type: none"> <li>• risk management policy;</li> <li>• share dealing code;</li> <li>• health and safety policy;</li> <li>• diversification/retrenchment policy;</li> <li>• environmental policy;</li> <li>• communications policy including procedures for the release of price sensitive information;</li> <li>• corporate social responsibility policy;</li> <li>• charitable donations policy; and</li> <li>• code of conduct (if any).</li> </ul>

<b>13.</b>	<b>Other</b>
<b>13.1</b>	The making of charitable or political donations.
<b>13.2</b>	Approval of any employment contract with a notice period in excess of two years.
<b>13.3</b>	Review of litigation which may be material to the interests of the Group.
<b>13.4</b>	Approval of the overall levels of insurance for the Group including Directors' & Officers' liability insurance and indemnification of directors.
<b>13.5</b>	Pension funding, major changes to the rules of the Group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.
<b>13.6</b>	This schedule of matters reserved for Board decisions.
<p><b>Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.</b></p>	