

Datatrak holdings plc

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Datatrak Holdings p.l.c. pursuant to Malta Stock Exchange Bye-Law 5.03.02 and the MFSA Listing Authority Listing Rule 8.6.15:

QUOTE

At the Annual General Meeting of the Company to be held on Friday the 29th July 2005 at 10:00 hours at the Dolmen Resort Hotel, the following Special Business Resolution shall be put to the Annual General Meeting:

“The Company has entered into an agreement with Mr Joe Fenech Conti whereby Mr Fenech Conti will be engaged as the Chief Executive Officer for Datatrak Holdings p.l.c. and all its subsidiaries for a period of 5 years commencing from the 15th June 2005. Mr Fenech Conti’s engagement will include duties and responsibilities for both local and overseas operations required by the Company’s business. As the group CEO he will be accountable directly to the board of directors of Datatrak Holdings p.l.c.

Mr Fenech Conti will earn no salary and his proposed remuneration package shall be strictly performance based and shall accordingly include the issue of shares in Datatrak Holdings p.l.c. to Mr Fenech Conti in line with the ability of the Group to reduce accumulated losses and/or improve profitability. Under the proposed arrangement, Mr Fenech Conti will not be issued with more than 5,000,000 shares of a nominal value of Lm0.10 each share over the five year term of the engagement, and in each year the maximum number of shares issued shall in no event exceed 1,000,000 shares.

Any reduction in accumulated losses of the Group in any year shall grant Mr Fenech Conti the right to receive an equivalent in shares (subject to the limits set forth above, and calculated at the market value of the shares at the beginning of the relevant year) of 5% of the reduction in accumulated losses achieved, as well as a cash bonus of 8% of the reduction in accumulated losses achieved. Any improvement in the Group’s profitability shall be remunerated with an equivalent in shares (subject to the limits set forth above, and calculated at the market value of the shares at the beginning of the relevant year) of 5% of the increase in profitability achieved, as well as a cash bonus of 10% of the increase in profitability achieved.

The voting, dividend and other rights attaching to the said shares shall be similar to those of any other shares in Datatrak Holdings p.l.c., provided that, in the event that Mr Joe Fenech Conti wishes to transfer any of the shares held by him he must first offer Datatrak Holdings p.l.c. the option to purchase the said shares.

Since Mr Fenech Conti's remuneration involves the issue of shares, the directors, in line with the provisions of the memorandum and articles of association and the Listing Rules of the Listing Authority are submitting for the consideration of the shareholders the resolution hereunder:

It is hereby resolved that:

- a. the Directors of the Company be and are hereby authorised and empowered to issue and allot up to 5,000,000 shares in the Company of a nominal value of LM0.10 each share to Mr. Joe Fenech Conti, for a value which is not below the nominal value, without first offering the said shares to existing shareholders. This resolution is being taken in terms and for the purposes of the approvals necessary in terms of the Companies Act and of the Company's articles of association;
- b. the Company be and is hereby authorised and empowered to the take all the actions necessary to commence the scheme set forth and described above."

UNQUOTE



Louis de Gabriele
Company Secretary

Tuesday 26th July 2005