

## TELIT COMMUNICATIONS PLC

### NOTICE OF ANNUAL GENERAL MEETING

This year's annual general meeting will be held at the offices of Instinctif Partners, 65 Gresham Street, London, EC2V 7NQ on 24 May 2016 at 3.00pm. You will be asked to consider and pass the resolutions below. Resolutions 10 and 11 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

#### Ordinary resolutions

1. To receive, approve and adopt Telit Communications Plc's ("**Company**") annual accounts together with the directors' report and the auditors' report for the financial year ended 31 December 2015.
2. To declare a final dividend for the year ended 31 December 2015 of \$0.06 per ordinary share.
3. To approve the report on directors' remuneration for the financial year ended 31 December 2015 together with the auditor's report on it.
4. To reappoint Ernst & Young LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
5. To authorise the directors to fix the remuneration of the auditors.
6. To reappoint Davidi Gilo as a director retiring by rotation, in accordance with the Company's articles of association.
7. To reappoint Ram Zeevi as a director retiring by rotation, in accordance with the Company's articles of association.
8. THAT the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £382,910.20, with a further aggregate nominal amount of £382,910.20 to be allotted solely in connection with an offer of such shares by way of a rights issue to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 24 August 2017 or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or Rights to be

granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors in accordance with section 551 of the Companies Act 2006 to allot shares or grant Rights but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

9. THAT the directors be and are hereby authorised, in accordance with article 212 of the Company's Articles of Association, and to the extent and in the manner determined by the directors, to offer the holders of ordinary shares in the capital of the Company (excluding members holding any shares as treasury shares), the right to elect to receive an allotment of new ordinary shares in the capital of the Company (credited as fully paid) instead of any cash, in respect of all or part of any dividend as may be declared by the directors from time to time, provided that the authority conferred by this resolution shall expire at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed.

#### **Special Resolutions**

10. THAT, subject to the passing of resolution 8 set out in the notice of this meeting, the directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 8 set out in the notice of this meeting or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

10.1 in connection with an offer by way of a rights issue:

10.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

10.1.2 to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

10.2 (otherwise than pursuant to paragraph 10 above) up to an aggregate nominal amount of £115,282.46.

The power granted by this resolution will expire on 24 August 2017 or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before

such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

11. THAT the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £0.01 each in the capital of the Company upon such terms and in such manner as the directors of the Company shall determine, provided that:

11.1 the maximum aggregate number of ordinary shares authorised to be purchased is 11,487,306;

11.2 the minimum price which may be paid for such ordinary shares is £0.01 per share (exclusive of expenses);

11.3 the maximum price (exclusive of expenses) which may be paid for an ordinary share cannot be more than an amount equal to the higher of:

11.3.1 an amount equal to 105% of the average of the closing middle market price for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; and

11.3.2 the price stipulated by Article 5(1) of Commission Regulation (EC) No 2273/2003 (the Buy-back and Stabilisation Regulation);

11.4 unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 24 August 2017, whichever is the earlier; and

11.5 the Company may make a contract or contracts to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

25 April 2016

By order of the board of directors of the Company

Michael Galai  
Company Secretary

Registered Office:

7<sup>th</sup> Floor, 90 High Holborn, London WC1V 6XX

Registered in England and Wales No. 5300693

**Notes:**

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300 (calls cost 10 pence per minute plus network extras) (from outside the UK: +44 (0) 20 8639 3399). Lines are open Monday - Friday, 9.00am - 5.30pm.
2. To be valid any proxy form or other instrument appointing a proxy and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated must be received by post or (during normal business hours only) by hand at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF no later than 3:00pm on 22 May 2016.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered in the register of members of the Company as at 6:00pm on 22 May 2016 or, if the meeting is adjourned, in the register of members at 6:00pm on the second day prior to the day of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6:00pm on 22 May 2016 or, if the meeting is adjourned, in the register of members after 6:00pm on the second day prior to the day of the adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting or at any such adjournment.
5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and

2 above does not apply to the Nominated Persons. The rights described in such paragraphs can only be exercised by shareholders of the Company.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited, (the operator of the CREST system), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 3:00pm on 22 May 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in

the Company's register of members in respect of the joint holding (the first-named being the most senior).

12. Copies of the terms and conditions of appointment of the Company's non-executive directors will be available for inspection at the registered office of the Company during normal business hours and at the place of the meeting from 15 minutes prior to the meeting until its conclusion.
13. As at 25 April 2016 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consists of 115,282,459 ordinary shares of £0.01 each, of which 409,400 Shares are held in treasury. Therefore, the total voting rights in the Company as at 25 April 2016 are 114,873,059, carrying one vote each.

## **EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING**

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 9 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 and 11 are proposed as special resolutions. This means that for these resolutions to be passed, at least three-quarters of the votes cast must be in favour of each of them respectively.

### **Resolution 1 (annual report and accounts)**

The directors of the Company must present to the meeting the audited annual accounts and the directors' and auditors' report for the financial year ended 31 December 2015.

### **Resolution 2 (final dividend)**

This resolution is to approve the final dividend for the year ended 31 December 2015 of \$0.06 per ordinary share which will be paid to the holders of ordinary shares on the register of members of the Company at the close of business on 15 April 2016, the ex-dividend date being 14 April 2016. The final dividend will be paid on 27 May 2016.

The directors of the Company intend to adopt a progressive dividend policy taking account of the underlying long-term earnings growth of the Company. Any dividends will be subject to the availability of sufficient distributable reserves and cash, taking into account the Company's working capital requirements.

### **Resolution 3 (remuneration report)**

The Company's shareholders will be asked to approve the remuneration report set out on pages 17 to 23 in the annual report and accounts at the Annual General Meeting. It sets out the Company's policy on, and gives details of, directors' remuneration and other relevant information.

### **Resolutions 4 and 5 (appointment and remuneration of auditors)**

The Company is required to appoint auditors at each general meeting at which accounts are presented to shareholders to hold office until the conclusion of the next such meeting. Resolution 4 seeks shareholder approval to reappoint Ernst & Young LLP as auditors to hold office from the conclusion of the Annual General Meeting until the conclusion of the next general meeting of the Company at which accounts are laid.

Resolution 5 seeks authority for the Company's directors to fix the auditors' remuneration. In accordance with best practice in corporate governance separate authorities are being sought to appoint the auditors and to fix their remuneration.

### **Resolutions 6 and 7 (re-election of Directors)**

The Company's articles of association permit any director appointed by the directors since the date of the last Annual General Meeting to hold office only until the date of the next Annual

General Meeting. The director is then eligible for election by shareholders. In addition, one third of the remaining directors (rounded down, if the number of directors is not a multiple of three) are required to retire by rotation each year and, further, no director may serve for more than three years without being re-elected by shareholders. The board of directors has six members at the date of this notice and consequently, two directors are retiring by rotation, both of whom, Davidi Gilo and Ram Zeevi, are standing for re-election. .

By resolution 6, Davidi Gilo is standing for re-election as a Director.

By resolution 7, Ram Zeevi standing for re-election as a Director.

The board of directors believes that each of the directors standing for re-election has considerable and wide ranging experience, which will be invaluable to the Company. Each of the directors has given an assurance to the board of directors that they remain committed to their role and will ensure that they devote sufficient time to it, including attendance at board of directors and Committee meetings.

#### **Resolution 8 (authority to allot)**

Under section 549 of the Companies Act 2006, the directors are prevented, subject to certain exceptions, from allotting shares in the Company or granting rights to subscribe for, or convert any security into, shares in the Company, without the authority of the shareholders in general meeting. In accordance with institutional investor guidelines, resolution 8 is proposed as an ordinary resolution to authorise the directors to allot shares, or to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal value of £382,910.20, such amount representing approximately one third of the ordinary share capital of the Company in issue (excluding treasury shares) at 25 April 2016 (being the last practicable date prior to the publication of this notice). Additionally, and in accordance with institutional investor guidelines, resolution 8 will also allow directors to allot further shares in the Company, in connection with a pre-emptive offer by way of a rights issue, up to an aggregate nominal amount of £382,910.20, again representing approximately one third of the ordinary share capital of the Company in issue (excluding treasury shares) at 25 April 2016 (being the last practicable date prior to the publication of this notice).

The directors' authority will expire at the conclusion of the next Annual General Meeting or on 24 August 2017, whichever is the earlier. The directors have no immediate plans to make use of this authority. As at the date of this notice the Company does not hold any ordinary shares in the capital of the Company in treasury.

#### **Resolution 9 (SCRIP dividend policy)**

If this resolution is approved, it will allow participants to receive ordinary shares in the capital of the Company for every cash dividend entitlement where the SCRIP is offered. The directors will retain the discretion to decide whether to offer a SCRIP dividend alternative in respect of each future dividend. Where a SCRIP dividend is offered, details of the terms and conditions of the offer of the SCRIP dividend will be circulated at the relevant time.

It is not proposed to offer a scrip alternative for the final dividend proposed in resolution 2 (for financial year ended 31 December 2015). However, the directors consider it prudent to maintain the option to provide this alternative for shareholders should circumstances alter so as to make a scrip alternative appropriate for future dividends.

In line with investor protection guidelines, the authority contained in this resolution is sought for one year only and shall therefore expire at the end of the next Annual General Meeting of the Company after the date on which it is passed. Unless there is a change in circumstances, the Company expects to seek an extension of this authority prior to its expiry.

#### **Resolution 10 (statutory pre-emption rights)**

Under section 561(1) of the Companies Act 2006, subject to certain exemptions, when new shares are allotted or treasury shares are sold for cash, they must first be offered to existing shareholders pro rata to their holdings. This special resolution renews, for the period ending on the date of the next Annual General Meeting or 24 August 2017, whichever is the earlier, the authorities previously granted to the directors to: (a) allot shares of the Company in connection with a rights issue; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £115,282.46 representing approximately 10% of the ordinary share capital in issue as at 25 April 2016 (being the last practicable date prior to the publication of this notice)) as if the pre-emption rights of section 561(1) did not apply. Before any exercise of the authority sought under this resolution, the Company would consult its Nominated Advisor regarding the terms and conditions of any issue.

#### **Resolution 11 (authority for market purchases of own shares)**

This resolution renews the Company's current authority to make limited market purchases of the Company's ordinary shares. The authority is limited to a maximum aggregate number of 11,487,306 ordinary shares (representing 10% of the issued ordinary shares (excluding treasury shares) as at 25 April 2016 (being the latest practicable date prior to publication of this report)) and sets out the minimum and maximum prices that can be paid, exclusive of expenses. The authority conferred by this resolution will expire at the conclusion of the Company's next Annual General Meeting or 24 August 2017, whichever is the earlier. Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange.

Pursuant to the Companies Act 2006, companies are allowed to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The directors may use the authority to purchase shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with legislation) rather than cancel them, subject to institutional guidelines applicable at the time.

The directors have no present intention of exercising the authority to purchase the Company's ordinary shares. The directors would only purchase shares if, in their opinion, the expected effect would be to result in an increase in earnings per ordinary share or net asset value and would benefit shareholders generally.

**TELIT COMMUNICATIONS PLC**  
**Form of Proxy for use at**  
**Annual General Meeting**  
**to be held at 3 p.m. on 24 May 2016**

I/We .....  
 (please use block capitals)

of .....

being (a) member(s) of Telit Communications Plc (the "Company") hereby appoint the Chairman of the meeting, or (see note 3)

.....

<b>Number of shares in relation to which the proxy is authorised to act</b>

(Insert name(s) here in block letters) as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Instinctif Partners, 65 Gresham Street, London, EC2V 7NQ at **3 p.m. on 24 May 2016**.

Signed ..... (see Notes 4 and 5)

Dated ..... 2016

Please tick here if this proxy appointment is one of multiple appointments being made (see Note 1)

Please indicate with an X in the spaces below how you wish your votes to be cast.

(see Note 6)

	FOR	AGAINST	VOTE WITHHELD
<b>Ordinary Resolutions</b>			
Resolution 1: To receive, approve and adopt the Company's annual accounts together with the directors' report and auditors' report on it			
Resolution 2: To declare a final dividend for the financial year ending 31 December 2015			
Resolution 3: To approve the directors' remuneration report for the financial year ending 31 December 2015 together with the auditors report on it			
Resolution 4: To reappoint Ernst & Young LLP as auditors of the Company			
Resolution 5: To authorise the directors to fix the remuneration of the auditors			
Resolution 6: To reappoint Davidi Gilo as a director			
Resolution 7: To reappoint Ram Zeevi as a director			
Resolution 8: To authorise the directors to allot shares			
Resolution 9: To authorise the directors to issue SCRIP dividends			
<b>Special Resolutions</b>			
Resolution 10: To disapply pre-emption rights in respect of certain allotments of shares			
Resolution 11: To authorise the Company to make market purchases of its own shares			

**Notes:-**

- 1 A member of the Company entitled to attend, speak and vote on the above Annual General Meeting may appoint one or more proxies to attend, speak and vote instead of him. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
- 2 This form of proxy together with any power of attorney or other written authority under which it is signed, or a certified copy of such power or authority, must be deposited at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF not later than 48 hours before (i) the time of the meeting, being 3 p.m. on 22 May 2016; or (ii) any adjournment of the meeting.
- 3 A person other than the Chairman of the meeting may be appointed by a member inserting the name and address in the space provided. The proxy need not be a member of the Company. To appoint more than one proxy you may photocopy this form. Please indicate in the box the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. If you sign and return the form and leave the box blank, your proxy will be deemed to be authorised to act in respect of your full voting entitlement (or if this form of proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.)
- 4 In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation. If the appointor is not a corporation, this proxy must be executed under the hand of the appointor or of his duly authorised attorney.
- 5 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any joint holders. For these purposes, seniority shall be determined by the order of the names appearing in the register of Shareholders in respect of the joint holding.
- 6 Please indicate with an "X" in the appropriate box how you wish to vote. If this form of proxy is returned signed, but without indication in the manner provided for above, the proxy will vote or abstain as he thinks fit, in respect of the member's total holding.
- 7 The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
- 8 Shares held in an uncertified form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedure set out in the CREST manual.
- 9 Any alteration made to this form of proxy should be initialled.
- 10 Completion and return of a form of proxy will not affect the right of a member to attend and vote at the meeting.