



9 November 2015

Dear Shareholder

**Proposed general meeting of Telit Communications PLC (“Telit” or the “Company”)**

Telit, a leading Internet of Things enablement company, has this morning announced the calling of a general meeting to propose a resolution to approve granting general authority to the Company to make market purchases of its own ordinary shares (“**Buyback Authority**”).

Please find enclosed a shareholder circular setting out further details in relation to the above, and including a Notice of General Meeting which has been called in order to propose the resolution required to approve the Buyback Authority, as well as the Form of Proxy which you are requested to complete and return to the Company’s registrars.

On behalf of the Board of the Company, I would like to take the opportunity to thank you for your continued support.

Yours sincerely,

Enrico Testa

Chairman of the Board

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares in Telit Communications PLC, please send this document together with any accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold only part of your holding of ordinary shares in Telit Communications PLC, you should retain these documents and contact the stockbroker, bank or other agent through whom the sale was effected.

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**TELIT COMMUNICATIONS PLC**

(incorporated and registered in England and Wales with company number 5300693)

**Proposed general authority for market purchases of own shares**

**and**

**Notice of General Meeting**

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This Circular should be read as a whole.

Your attention is drawn to the letter from the Chairman of the Board contained in this document, which contains the Directors' recommendation that you vote in favour of the Buyback Authority Resolution to be proposed at the General Meeting.

Notice of the General Meeting of Telit Communications PLC to be held at the offices of Olswang LLP, 7<sup>th</sup> Floor, 90 High Holborn, London WC1V 6XX at 1 p.m. on 2 December 2015 is set out at the end of this Circular. Shareholders will find enclosed with this Circular a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, you are requested to complete and return the enclosed Form of Proxy to the Company's Registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, as soon as possible, and in any event not later than 1 p.m. on 30 November 2015. Completion and posting of the Form of Proxy does not prevent a shareholder from attending and voting in person at the General Meeting.

A copy of this document will be available from the Company's website at [www.telit.com](http://www.telit.com). Notice of the General Meeting to be held at the offices of Olswang LLP, 7<sup>th</sup> Floor, 90 High Holborn, London WC1V 6XX at 1 p.m. on 2 December 2015 is set out at the end of this document.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Despatch of this document and Form of Proxy	9 November 2015
Latest time and date for receipt of Forms of Proxy	1 p.m. on 30 November 2015
Time and date of General Meeting	1 p.m. on 2 December 2015

Each of the times and dates in this timetable is subject to change. If any of the above time and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a regulatory information service recognised by the London Stock Exchange PLC.

All references in this Circular are to London time.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Enrico Testa ( <i>Executive Chairman</i> ) Oozi Cats ( <i>Chief Executive Officer</i> ) Yosi Fait ( <i>President &amp; Finance Director</i> ) Davidi Gilo ( <i>Independent Non-Executive Director</i> ) Ram Zeevi ( <i>Independent Non-Executive Director</i> ) Lars Reger ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	Michael Galai
<b>Registered Office</b>	7 <sup>th</sup> Floor, 90 High Holborn London WC1V 6XX
<b>Nominated Adviser and Broker</b>	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR  Berenberg 60 Threadneedle Street London EC2R 8HP
<b>Auditors</b>	Ernst & Young LLP 1 More London Place, London SE1 2AF
<b>Solicitors to the Company</b>	Olswang LLP 90 High Holborn London WC1V 6XX
<b>Registrars</b>	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA

# TELIT COMMUNICATIONS PLC

(incorporated and registered in England and Wales under number 5300693)

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

9 November 2015

*To the shareholders of the Company*

Dear Shareholder,

## **Proposed general authority for market purchases of own shares and Notice of General Meeting**

### **1. Introduction and background**

The purpose of this letter is to provide you with the background to and the reasons for the proposed authority to the Company to make market purchases of its own ordinary shares (“**Buyback Authority**”), and to explain why the Directors consider the Buyback Authority to be in the best interests of the Company and its Shareholders as a whole.

Details of the General Meeting can be found in the Notice at the end of this Circular.

### **2. Reasons for the Buyback Authority**

In recent months, the Company’s share price has experienced increased volatility. The Board is cognisant of the fact that it has not previously requested authority from its Shareholders to enable it to buyback the Company’s shares. The Board feels it is appropriate at this time to seek such authority, in order to ensure it has scope to put in place a share buyback in the future, in the event the Board was to consider this to be the best use of the Company’s cash resources to generate shareholder value.

### **3. General Meeting**

The notice convening the General Meeting to be held at the offices of Olswang LLP, 7<sup>th</sup> Floor, 90 High Holborn, London WC1V 6XX at 1 p.m. on 2 December 2015 is set out at the end of this Circular. The purpose of the General Meeting is for the Shareholders to consider, and if thought fit, pass the resolution to approve the Buyback Authority. This will be proposed as a special resolution.

### **4. Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and return it to the Company’s Registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent,

BR3 4ZF, so as to arrive no later than 1 p.m. on 30 November 2015. The completion and return of the Form of Proxy will not affect your right to attend and vote in person at the General Meeting if you wish to do so.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service should refer to notes 6 to 9 inclusive of the Notice set out at the end of this Circular.

**5. Recommendation**

The directors consider the Buyback Authority to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend shareholders to vote in favour of the resolution to be proposed at the general meeting, as they intend to do or procure to be done in respect of their own beneficial holdings of the ordinary shares and arrangements over voting rights, which amount, in aggregate, to 24,176,977 ordinary shares representing approximately 21% per cent. of the issued share capital of the Company.

Yours faithfully

**Enrico Testa**

Executive Chairman

**TELIT COMMUNICATIONS PLC**  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of the Company will be held at the offices of Olswang LLP, 7<sup>th</sup> Floor, 90 High Holborn, London WC1V 6XX at 1 p.m. on 2 December 2015. You will be asked to consider and pass the resolution below which will be proposed as a special resolution.

**SPECIAL RESOLUTION**

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:

- a) the maximum aggregate number of ordinary shares authorised to be purchased is 11,514,037 (representing 10 per cent of the Company's issued ordinary share capital);
- b) the minimum price which may be paid for such ordinary shares is £0.01 per share (exclusive of expenses);
- c) 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:
  - i. 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
  - ii. the price stipulated by Article 5(1) of Commission Regulation (EC) No 2273/2003 (the Buy-back and Stabilisation Regulation);
- d) 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 15 months from the date of the passing of this resolution, whichever is the earlier; and
- e) 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.

Date: 9 November 2015

By order of the Board

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 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, 9.00 a.m. - 5.30 p.m.
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 1 p.m. on 30 November 2015.
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 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 6:00 p.m. on 30 November 2015 or, if the meeting is adjourned, in the register of members at 6:00 p.m. 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 6:00 p.m. on 30 November 2015 or, if the meeting is adjourned, in the register of members after 6:00 p.m. 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 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 1 p.m. on 30 November 2015. 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. As at 6 November 2015 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of 115,140,374 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total voting rights in the Company as at 6 November 2015 are 115,140,374.

## EXPLANATORY NOTES TO THE BUSINESS OF THE GENERAL MEETING

The resolution is proposed as a special resolution. This means that for the resolution to be passed, at least three quarters of the votes cast must be in favour of the resolution.

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

This resolution grants the Directors' authority to make limited market purchases of the Company's ordinary shares. The power is limited to a maximum aggregate number of 11,514,037 ordinary shares (representing 10%) of the issued share capital as at 6 November 2015 (being the latest practicable date prior to publication of this notice) and details the minimum and maximum prices that can be paid, exclusive of expenses.

In recent months, the Company's share price has experienced increased volatility. The Board is cognisant of the fact that it has not previously requested authority from its Shareholders to enable it to buyback the Company's shares. The Board feels it is appropriate at this time to seek such authority, in order to ensure it has scope to put in place a share buyback in the future, in the event the Board was to consider this to be the best use of the Company's cash resources to generate shareholder value.

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.

On 6 November 2015 (being the latest practicable date prior to publication of this notice), the Company had 16,240,000<sup>1</sup> options and share awards outstanding under its various share schemes that could potentially need to be satisfied by the issue of new shares. This represented 4.82% and 5.55% of the Company's share capital on a fully diluted and cashless exercise basis<sup>2</sup>, based on, respectively, the closing price of the Company's shares on AIM on 6 November 2015, which was 241p and the average closing price of the 30 day period ending on the same date which was 281.5p. If the Company were to purchase and cancel shares up to the maximum permitted by the resolution set out above, that percentage would increase to, respectively, 5.35% and 6.17%.

The authority conferred by this resolution will expire at the conclusion of the Company's next Annual General Meeting or 15 months from the passing of this resolution, whichever is the earlier.

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<sup>1</sup> Not including 2,250,000 options that the Company committed to grant two executive directors on 16 September 2014. On that date the Company had nearly reached the overall limit on the granting of options over newly issued shares. It was therefore resolved that the awards be granted only as headroom becomes available under the overall limit under the option plan (or any replacement, or follow-on plan). Accordingly, the executive directors will from time to time be formally granted additional options (either in one tranche or in a series of separate grants) at the same exercise price and on the same terms as the options set out above, until the full number of options mentioned above are granted within this framework. An additional 1,000,000 options that the Company committed to grant to another executive director on the same date, were already formally granted to said executive director, as headroom became available.

<sup>2</sup> Starting from June 2014, substantially all options under the Company's share option plans are exercised on a cashless basis, which is a mechanism according to which an optionholder is issued such number of shares that is equal to the spread between the exercise price and the market price of the shares on the day of exercise, and does not pay the exercise price to the Company.

Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange.