

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you sell, or have sold or transferred all of your registered holdings of ordinary shares of no par value (the “Shares”), please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

## **STARCOM PLC** (“the Company”)

### **Notice of Annual General Meeting**

**Notice of the Annual General Meeting of Starcom plc (the “Company”) to be held at Peterhouse Capital Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD on 17 June 2019 at 12:00 p.m. is set out at the end of this document and the recommendation of the Directors is set out on page 5.**

**Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting. The Form of Proxy should be completed and returned to the Company’s registrar, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 12.00 p.m. on 15 June 2019, being 48 hours before the time appointed for holding the meeting or, in circumstances where the AGM is adjourned, 48 hours before the time of the adjourned meeting.**

**The action to be taken in respect of the Annual General Meeting is set out in the Chairman’s letter in this document.**

# Letter from the Chairman of the Company

(Incorporated in Jersey with registered number 111932)

## Directors

Michael Rosenberg OBE, Non-Executive Chairman  
Avraham (Avi) Hartmann, Chief Executive Officer  
Igor Vatenmacher, Chief Financial Officer  
Avi Engel, Non-Executive Director  
Martin Blair, Non-Executive Director

## Registered office

PO Box 264,  
Forum 4,  
Grenville  
JE4 8TQ Street,  
St Helier,  
Jersey,

31 May 2019

Dear Shareholder

I am pleased to invite you to the 2019 Annual General Meeting (the “**AGM**”) of the Company.

## Annual General Meeting

Notice of the AGM (the “**Notice**”) is given on pages 5 to 8 of this document. The Notice sets out the resolutions that shareholders are being asked to consider. Resolutions 1 to 12 set out in the Notice detail the ordinary resolutions and resolutions 13 and 14 detail the special resolutions.

The AGM is an important opportunity for us to explain the Company’s performance and strategy and for you to express your views by asking questions and voting. I provide further explanation of each of the resolutions to be proposed at the AGM below.

## Resolution 1 – Annual Report and Accounts

Resolution 1 proposes the receipt of the audited accounts and financial statements of the Company for the year ended 31 December 2018.

## Resolution 2 – Re-election of Michael Rosenberg

The Company’s articles of association (the “**Articles**”) require that one third of the Directors are required to retire at each annual general meeting. This year Michael Rosenberg retires by rotation. Resolution 2 proposes his re-election.

## Resolutions 3 and 4 – Appointment of Directors

The Articles provide that any Director appointed by the board since the Company’s last annual general meeting shall hold office only until the following annual general meeting at which he shall stand for re-appointment.

Resolution 3 proposes the appointment of Igor Vatenmacher as a Director.

Resolution 4 proposes the appointment of Martin Blair as a Director

## Resolutions 5 and 6 – appointment and remuneration of Auditors

The appointment of Barzily & Co as auditor of the Company terminates at the conclusion of the AGM. The Company has reviewed the external audit function and decided to appoint Brightman Almagor Zohar & Co. Certified Public Accountants A member firm of Deloitte Touche Tohmatsu (“Deloitte Israel”) as the Company’s auditor subject to shareholder approval. Deloitte Israel have indicated their willingness to stand for appointment as auditor of the Company until the conclusion of the annual general meeting in 2020. The Directors recommend the appointment of Deloitte Israel and seek authority to fix their remuneration.

Resolution 5 proposes the appointment of Brightman Almagor Zohar & Co. Certified Public Accountants A member firm of Deloitte Touche Tohmatsu as the Company’s auditor and resolution 6 authorises the Directors to fix the auditor’s remuneration.

## Resolutions 7, 8 and 9 – Directors’ authority to allot shares

The existing power granted to the Directors to allot shares expires on the date of the AGM.

Accordingly, Resolution 7 is proposed to renew the Directors’ authority to allot shares of up to a maximum of 230,000,000 (being approximately two-thirds of the Company’s issued share capital as at 30 May 2019 being the last practicable date prior to publication of the Notice) in connection with a rights issue, open offer or other pre-emptive offer.

Resolution 8 proposes a further Directors’ authority to allot shares of up to a maximum of 172,224,756 (being approximately one half of the Company’s issued share capital as at 30 May 2019 being the last practicable date prior

to publication of the Notice) otherwise than in connection with a rights issue, open offer or other pre-emptive offer.

Resolution 9 proposes a further Directors' authority to allot shares up to a maximum of 17,170,000 shares in connection with resolutions 10 to 12.

The authorities sought in Resolutions 7, 8 and 9 at the AGM will expire at the conclusion of the next annual general meeting of the Company.

#### **Resolution 10 – Issue of options in place of fees**

It is proposed that in consideration of the agreement by certain Directors and David Avner (a consultant to the Company) to either waive or reduce fees and salaries due them for the period starting 1 June 2019 and ending 31 March 2020, they will be granted with options to subscribe for new Shares under the Company's share option scheme (the "Fee Options") as follows:

- Avi Hartmann will be granted 2,960,000 Fee Options and will reduce his salary from 59,000 shekels per month to 40,000 shekels per month until 31 March 2020.
- Michael Rosenberg will be granted 600,000 Fee Options and will reduce his fees payable to Eastkings Ltd from £3,333 per month to £2,917 per month until 31 March 2020.
- Avi Engel will be granted 2,160,000 Fee Options and will reduce his fees from 14,000 shekels per month to zero per month until 31 March 2020.
- Martin Blair will be granted 2,160,000 Fee Options and will not take any salary or fees until 31 March 2020.
- David Avner will be granted 2,160,000 Fee Options and will reduce his consultancy fees from 14,000 shekels per month to zero until 31 March 2020.

The number of Fee Options granted to each director has been calculated based on an issue price of 1.25p per Share. The Fee Options would vest on 1st April 2020, subject to the grantees' continued employment with the Company, and can be exercised from that date until 10 years from date of grant. As the Fee Options are being granted in place of salaries and fees, the Fee Options are exercisable at nil cost. Pursuant to the Company's share option scheme, the Fee Options will be subject to certain customary good leaver and bad leaver provisions. The Fee Options would represent 3 per cent. of the Company's issued share capital as at the date of this document.

#### **Resolution 11 – Issue of incentive options**

It is proposed that the Directors and David Avner (a consultant to the Company) will be granted with options to subscribe for new Shares under the Company's share option scheme (the "Scheme Options") as follows:

- Michael Rosenberg: 1,000,000 Scheme Options
- Avi Hartmann: 1,000,000 Scheme Options
- Uri Hartmann: 1,000,000 Scheme Options
- Igor Vatenmacher: 1,000,000 Scheme Options
- Martin Blair: 750,000 Scheme Options
- David Avner: 750,000 Scheme Options
- Avi Engel: 750,000 Scheme Options

The Scheme Options are exercisable at a price of 1.875p per share, representing a premium of 50% over the closing mid-market price on the day prior to the issue of the Notice. The Scheme Options will become exercisable, subject to the grantees' continued employment with the Company, over three years as to one third from the first anniversary of the date of grant, one third from the second anniversary of date of grant and one third from the third anniversary of date of grant. The Scheme Options expire 10 years after date of grant. Pursuant to the Company's share option scheme, the Scheme Options will be subject to certain customary good leaver and bad leaver provisions. The Scheme Options would represent 1.8per cent. of the Company's issued share capital as at the date of this document.

#### **Resolution 12 – Issue of shares in place of fees**

It is proposed that in consideration of the payment of outstanding fees of £11,000 due to Eastkings Limited for the services of Michael Rosenberg as Chairman of the Company in the year to 31 March 2019, Eastkings Limited will be issued with 880,000 new ordinary shares in the Company at 1.25p per share (the "Fee Shares").

#### **Resolutions 13 and 14 – Disapplication of pre-emption rights**

Under article 2.4 of the Articles, if the Directors wish to allot equity securities for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares for cash without a pre-emptive offer to existing shareholders. This cannot be done under the Articles unless the shareholders have first waived their pre-emption rights. The pre-emption rights are also required to be waived in order to issue the incentive options referred to in resolutions 10 and 11.

Resolutions 13 and 14 authorise the dis-application of pre-emption rights (i) up to an aggregate of 86,000,000 shares, which is equivalent to approximately one quarter of the Company's issued share capital (excluding treasury shares); and (ii) the

issue of options to acquire up to 16,290,000 Shares in connection with resolutions 10 and 11.

### **Action to be taken**

Shareholders will find enclosed a Form of Proxy for use at the AGM. Whether or not shareholders intend to be present at the meeting, shareholders are requested to complete and return the Form of Proxy in accordance with the instructions printed on the form, to the Company's registrar, , Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, as soon as possible and in any event so as to be received either by post or by hand (during normal business hours only) not later than 12.00 p.m. on 15 June 2019, being 48 hours before the time appointed for holding the meeting or, in circumstances where the AGM is adjourned, 48 hours before the time of the adjourned meeting. Unless the Form of Proxy is received by the date and time specified above, it will be invalid.

Completion and return of the Form of Proxy will not prevent shareholders from attending and voting at the AGM should they so wish. Should you attend the meeting on your own behalf or on behalf of a registered holder of shares you must bring photographic proof of identity and, where attending on behalf of a registered holder, evidence of your appointment to represent that shareholder (this includes people appointed as proxies, corporate representatives and those with power of attorney).

If your shareholding is held through a broker or nominee, as the registered shareholder they will be required to submit your vote by completing the Form of Proxy. Should you wish to attend the AGM, your broker or nominee may appoint you as their proxy or as a corporate representative. A proxy may only be appointed by using the procedures set out in the notes contained in the Notice and the notes to the Form of Proxy.

### **Related party transactions**

The aggregate of the grant of the Fee Options and Scheme Options and issue of the Fee Shares to the Directors are related party transactions under rule 13 of the AIM Rules for Companies. In the absence of any Directors independent of the transactions, the Company's nominated adviser, Allenby Capital Limited, considers that the terms of the transactions are fair and reasonable insofar as the Company's shareholders are concerned.

### **Recommendation**

The Board has demonstrated its faith in the Company through the acceptance of reductions in salaries over the next approximately nine months which will enable financial resources to be dedicated to acceleration of growth. In addition, the appointment of Martin Blair to the Board and David Avner as a senior adviser will provide excellent additional management resource to assist in achieving our objectives. Accordingly, the board believes that the resolutions to be put to the AGM are in the best interests of the Company and shareholders as a whole and, accordingly, recommends that shareholders vote in favour of the resolutions.

Yours faithfully

**Michael Rosenberg**  
Chairman  
31 May 2019

# STARCOM PLC

("the Company")

*(Incorporated in Jersey with registered number 111932)*

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the seventh Annual General Meeting of the Company will be held at Peterhouse Capital Limited 3rd Floor, New Liverpool House, 15, Eldon Street, EC2M 7LD on 17 June 2019 at 12.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

### ORDINARY RESOLUTIONS

1. To receive the Audited Accounts and Financial Statements for the year ended 31 December 2018.
2. To re-elect Michael Rosenberg who retires by rotation in accordance with article 28.1 of the Company's articles of association (the "Articles") and being eligible, offers himself for re-election;
3. To confirm appointment of Igor Vatenmacher to the Board of Directors in accordance with article 28.7 of the Articles
4. To confirm appointment of Martin Blair to the Board of Directors in accordance with article 28.7 of the Articles
5. To appoint Brightman Almagor Zohar & Co. Certified Public Accountants A member firm of Deloitte Touche Tohmatsu as auditor of the Company (the "Auditor") to hold office from conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and;
6. To authorise the directors to determine the remuneration of the Auditor;
7. That, in addition to any authorities granted under Resolution 8 and Resolution 9, that pursuant to article 2.3 of the Company's articles of association, the Directors of the Company be given power to allot relevant securities in connection with any offer by way of rights, open offer or other pre-emptive offer up to in aggregate 230,000,000 shares (representing approximately two thirds of the current issued share capital of the Company), such authority to expire at the conclusion of the next Annual General Meeting of the Company.

Under the authority conferred by this Resolution, the Directors may before the authority expires, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

8. That, in addition to any authorities granted under Resolution 7 and Resolution 9, pursuant to article 2.3 of the Company's articles of association, the Directors of the Company be given power to allot relevant securities up to in aggregate 172,224,756 shares (representing approximately one half of the current issued share capital of the Company), such authority to expire at the date of the next Annual General Meeting of the Company.

Under the authority conferred by this Resolution, the Directors may before the authority expires, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

9. That, in addition to any authorities granted under Resolution 7 and Resolution 8, pursuant to article 2.3 of the Company's articles of association, the Directors of the Company be given power to allot relevant securities representing up to in aggregate 17,170,000 shares in connection with Resolution 10, Resolution 11 and Resolution 12, such authority to expire at the date of the next Annual General Meeting of the Company.

Under the authority conferred by this Resolution, the Directors may before the authority expires, make an offer

or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

10. To approve the grant of 10,040,000 options to subscribe for ordinary shares in the Company at nil cost (the terms of which are set out in the circular to shareholders dated 31 May 2019) as to 2,960,000 to Avi Hartmann, 600,000 to Michael Rosenberg (via Eastkings Ltd), 2,160,000 to Avi Engel, 2,160,000 to David Avner and 2,160,000 to Martin Blair.
11. To approve the grant of 6,250,000 options to subscribe for ordinary shares in the Company at 1.875 p per share (the terms of which are set out in the circular to shareholders dated 31 May 2019) as to 1,000,000 each to Michael Rosenberg (via Eastkings Ltd), Avi Hartmann, Uri Hartmann and Igor Vatenmacher and 750,000 each to Avi Engel, Martin Blair and David Avner.
12. To approve the issue of 880,000 new ordinary shares in the Company to Eastkings Ltd at 1.25p per share in lieu of cash fees due for the services of Michael Rosenberg in the year to 31 March 2019.

SPECIAL RESOLUTIONS:

13. That, subject to and conditional on the passing of Resolution 8 and pursuant to article 2.10 of the Company's articles of association, the Directors of the Company be given power to allot equity securities for cash up to in aggregate 86,000,000 shares (representing approximately one quarter of the current allotted and fully paid ordinary shares) as if the pre-emption rights in the articles of association did not apply to any such allotment, such authority to expire at the earlier of the date falling 15 months after the date of the AGM and the conclusion of the next Annual General Meeting of the Company.

Under the authority conferred by this Resolution, the Directors may before the authority expires, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

14. That subject to and conditional on the passing of Resolution 9 and pursuant to article 2.10 of the Company's articles of association, the Directors of the Company be given power to allot equity securities for cash up to in aggregate 7,130,000 shares in connection with Resolution 11 and Resolution 12 as if the pre-emption rights in the articles of association did not apply to any such allotment, such authority to expire at the earlier of the date falling 15 months after the date of the AGM and the conclusion of the next Annual General Meeting of the Company.

Under the authority conferred by this Resolution, the Directors may before the authority expires, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the relevant authority conferred in this Resolution had not expired.

By order of the Board,

**For and on behalf of AST**  
**Secretaries Limited**  
Secretary

31 May 2019

Notes:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote on your behalf at a general meeting of the Company.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you must complete a separate Form of Proxy for each proxy. Members can copy their original Form of Proxy, or additional Forms of Proxy can be obtained from Share Registrars Limited on 01252 821390, from overseas, please call +44 (0) 1252 821390. Calls are charged at your network provider's standard rates. Calls from outside the United Kingdom will be charged at the applicable international rate. The lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
4. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in note 12 below) does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To be valid any proxy form or other instrument appointing a proxy must be:
  - o completed and signed;
  - o sent or delivered to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR; and
  - o received by Share Registrars Limited no later than 12.00 p.m. on 15 June 2019.
7. 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).
8. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the Company or an attorney for the Company.
9. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 17 June at 12.00 p.m. and any adjournment(s) thereof 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 voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
13. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, (ID: 7RA36), no later than 48 hours, excluding any day that is not a business day, before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
14. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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 takes) 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
15. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in article 34 of the Uncertificated Securities (Jersey) Order 1999.
16. Only those members entered on the register of members of the Company at 1200pm on 15 June 2019 or, in the event that this meeting is adjourned, in the register of members as at close of business on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after 1200pm on 15 June 2019 or, in the event that this meeting is adjourned, in the register of members before the close of

business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

17. Any corporation which a member is can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
18. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:
  - o to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - o the answer has already been given on a website in the form of an answer to a question, or;
  - o it is undesirable in the interests of the company or the good order of the meeting to answer the question.