



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your ordinary shares in Techfinancials, Inc., you should pass this document and the accompanying form of proxy to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

**TECHFINANCIALS, INC.**

(Registered in the British Virgin Islands No. 1535269)

(the "**Company**")

**IMPORTANT NOTE: Shareholders should not attend the annual general meeting in person due to Government public health guidelines on Covid-19**

*Directors:*

Asaf Lahav  
Eitan Yanuv (Chairman)

*Registered Office:*

Craigmuir Chambers, Road Town,  
Tortola VG1110, British Virgin Islands

20 November 2020



*To the holders of Ordinary Shares*

Dear Shareholder

### **2020 Annual General Meeting**

The 2020 Annual General Meeting of the Company (“**AGM**”) is to be held on December 17 2020 at 08:30 a.m. UK time at Hertzelia Israel. The notice convening the AGM is set out at the end of this letter and I am writing to give you more information about the resolutions to be considered at the AGM.

A copy of the 2019 Annual Report and Accounts can be found at <https://group.techfinancials.com/annual-interim-reports/>. This contains the financial statements for the year ended 31 December 2019. The financial statements shall be presented as part of the ordinary business of the AGM.

### **COVID-19**

As the situation surrounding COVID-19 continues to evolve, the Company is closely monitoring Public Health guidelines on public gatherings. The Company’s key priority during these unprecedented times is the health and safety of its employees, and, of course, its Shareholders. Due to restrictions that apply in the UK, Israel and most of Europe with regard to public gatherings, this year’s AGM will be run as a **closed meeting and Shareholders will not be permitted to attend the AGM in person**. The Board believe that it is in the best interests of the Company and its Shareholders to reduce the AGM to the minimum necessary quorum of two Shareholders (which will be satisfied by the Company with two Directors attending). The AGM will be purely functional and comprise only of the formal votes for each resolution set out in this document without any business update or Q&A on the day.

The Company is implementing the following precautions to ensure that the AGM is held in a compliant and safe way:



- Shareholders and their representatives will **NOT** be permitted to attend the AGM in person;
- Instead, all Shareholders should vote by proxy to ensure that their vote is counted at the AGM by completing a form of proxy attached to this notice; Please see the Notes of the Notice for instructions to enable Registered members to vote by email, and Depository Interest Holders will be able to vote by instructing their brokers to vote on their behalf. Given the restrictions on attendance, Shareholders are advised to appoint the Chairman of the meeting as their proxy rather than a named person who will not be permitted to attend the meeting;

We trust that Shareholders will understand the need for these precautions in light of current public health guidelines on COVID-19.

The information set out below explains the reasons for Resolutions 1-3:

#### **Resolutions 1 – Re-election of director:**

In accordance with Regulations 7.5 to 7.10 of the Company's Articles of Association, Mr. Asaf Lahav will retire from his position as director of the Company and stand for re-election at the AGM.

#### **Resolutions 2 and 3 – Amendment to the Company's Articles of Association.**

##### Resolution 2

Regulation 1.4(e) of the Articles of Association of the Company provides that Regulation 1.5 shall not apply to shares issued as payment for the acquisition of another corporate entity, as payment for the acquisition of securities of another corporate entity and/or as consideration in a joint venture to the other parties in such joint venture, provided, however, that such Shares shall not exceed 15% of the issued Shares of the Company in any single transaction.

The purpose of Resolution 2 is to amend Regulation 1.4(e) of the Articles of Association of the Company, so that Regulation 1.5 shall not apply to shares issued as payment for the acquisition of another corporate entity, as payment for the acquisition of securities of another corporate



entity and/or as consideration in a joint venture to the other parties in such joint venture, provided, however, that such Shares shall not exceed 30% of the issued Shares of the Company in any single transaction.

This authority is being sought so as to maintain flexibility in the financing of the Company and to give the directors the opportunity to take advantage of business opportunities as they arise.

### Resolution 3

Regulation 1.6 of the Articles of Association of the Company provides that the shareholders may authorise the directors, in advance and on an annual basis, to raise funds in an issue on a non-pre-emptive basis, by way of issuance of shares representing up to 25% of the issued shares of the Company (from time to time), and further provided, that the Company's general meeting may determine minimum terms and conditions (including price) for such issues, up to a 25% discount of the average mid-market price for the shares of the Company on the AQSE market over the 5 trading days prior to issue.

The purpose of Resolution 3 is to amend and restate Regulation 1.6 of the Articles of Association of the Company, so that the directors shall have the authority to issue a total of up to 60% of the issued shares of the Company, until the date that is 12 months after the AGM, with up to a 25% discount of the average mid-market price for the shares of the Company on the AQSE market over the 5 trading days prior to the execution of a definitive agreement pursuant to which the Company undertakes to issue shares of the Company (collectively the "**Amendments**").

It is the directors' intention to seek renewal of this authority annually. This authority is being sought so as to maintain flexibility in the financing of the Company and to give the directors the opportunity to take advantage of business opportunities as they arise. This authority will enable the directors to raise additional working capital by way of a placing.

The Annual General Meeting will be asked to approve the Amendments.



Shareholders are entitled to appoint a proxy to exercise all or any of their rights to vote on their behalf at the meeting

All Shareholders should vote by proxy to ensure that their vote is counted at the AGM as instructed in the Notes of this Notice.

Yours sincerely

Eitan Yanuv  
Chairman

## **NOTICE OF ANNUAL GENERAL MEETING**

### **TECHFINANCIALS, INC.**

Notice is hereby given that the Annual General Meeting of Techfinancials, Inc. will be held on 17<sup>th</sup>. December 2020 at 08:30 a.m. UK time at Hertzelia Israel purposes:

To receive the Company's Report and Accounts for the year ended 31 December 2019; and to adopt the following resolutions:

1. To re-elect Mr. Asaf Lahav, as a Director.

2. To authorize the amended and restated Memorandum and Articles of Association of the Company, which will include an amendment to Regulation 1.4(e) of the Company's Articles of Association, which will replace Regulation 1.4(e) of the Articles of Association in its entirety, as follows:

*(e) Shares issued as payment for the acquisition of another corporate entity, as payment for the acquisition of securities of another corporate entity and/or as consideration in a joint venture to the other parties in such joint venture, provided, however, that such Shares shall not exceed 30% of the issued Shares of the Company in any single transaction.*

3. To authorize the amended and restated Regulation 1.6 of the Company's Articles of Association, which will include an amendment to Regulation 1.6 of the Company's Articles of Association, which will replace Regulation 1.6 of the Articles of Association in its entirety, as follows:

*(1.6) The Shareholders may authorize the Board, in advance and on an annual basis, to raise funds in an issue on a non-pre-emptive basis, by way of issuance of Shares representing up to 60% of the issued Shares of the Company (from time to time), and further provided, that the Company's general meeting may determine minimum terms and conditions (including price) for such issues, up to a 25% discount of the average mid-market price for the Shares of Company on the AQSE Exchange over the 5 trading days prior to the execution of a definitive agreement pursuant to which the Company undertakes to issue shares of the Company.*

The consolidated version of the Memorandum and Articles of Association of the Company incorporating the above amendments can be found at <https://group.techfinancials.com/constitutional-documents/>.

#### **Notes for Shareholders**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company 48 hours before the Annual General Meeting (i.e. by close of business on 15 December 2020) (or if the Meeting is adjourned, in the register of members of the Company 48 hours before the date and time of the adjourned meeting) (the "Meeting") shall be entitled to vote at the Meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to vote at the Meeting.



2. Registered members of the Company may vote by proxy to the chairman only.

3. In order to be valid, the proxy appointment (together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that authority) must be returned by email to [agm2020@techfinancials.com](mailto:agm2020@techfinancials.com) no later than 08:30 am UK time on 15 December 2020 or, in the case of an adjourned meeting, not less than 48 hours before the time appointed for holding such adjourned meeting (ignoring for these purposes non-working days) or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned meeting) for the taking of the poll at which it is to be used.

### **Notes for Depositary Interest Holders**

1. You will not receive a form of direction for the Annual General Meeting in the post. Depositary Interests holders may instruct their broker to vote on their behalf no later than 08:30 am UK time on 15 December 2020.

2. The Depositary will appoint the Chairman of the meeting as its proxy to cast your votes. The Chairman may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting.

3. The 'Vote Withheld' option is provided to enable you to abstain from voting on the resolutions. 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.

### **All holders**

1. The quorum for the Annual General Meeting shall be two or more shareholders present in person or by proxy. If within two hours from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the next business day at the same time and place or to such other time and place as the Directors may determine, and if a quorum is not present at any such adjourned meeting, the meeting shall be dissolved.

2. As of 20 November 2020 the Company's total number of shares in issue is 84,980,979 ordinary shares of US\$0.0005 par value each carrying one vote each. Therefore, the total voting rights in the Company as at that date are 84,980,979.

3. A copy of this notice and other information can be found at <https://group.techfinancials.com/financial-calendar/>

## **Techfinancials, Inc. - Annual General Meeting 2020 - Proxy**



**Name of Shareholder:**

I/We being (a) member/members hereby appoint **The Chairman of the Board** to vote on my behalf

Number of ordinary shares appointed over:   
(if less than your full voting entitlement)

as my/our proxy, to vote on my/our behalf at the Meeting of the Company and at any adjournment thereof. Please indicate below how you would like your proxy to vote on your behalf on the resolutions.

Please put an 'X' in the box opposite if this proxy appointment is one of multiple appointments being made:

**Resolutions:**

For                      Against                      Withheld

1	To re-elect Mr. Asaf Lahav, as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To authorize the amended Memorandum, which will replace Regulation 1.4(e) of the Articles of Association in its entirety (see notice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To authorize the amended Memorandum, which will replace Regulation 1.6 of the Articles of Association in its entirety (see notice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**NOTES:**

Registered members:



Please complete all details in this Form of Proxy and email it no later than 15 December 2020 at 08:30 AM UK Time to:

[agm2020@techfinancials.com](mailto:agm2020@techfinancials.com)

Depository Interest Holders:

Please complete all details in this Form of Proxy and instruct your broker to submit your vote to the Company on your behalf no later than 15 December 2020 08:30 AM UK Time.

**VOTES THAT WILL BE RECEIVED LATER THAN THE ABOVE DATES WILL NOT BE COUNTED.**