

SPARK NETWORKS PLC  
Form PRER14A  
October 13, 2006

## **SCHEDULE 14A**

### **Information Required in Proxy Statement**

**REG. 240.14a-101**

### **SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. 1)**

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

**SPARK NETWORKS PLC**

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the registrant)

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Payment of Filing Fee (Check the appropriate box):

- No fee required
  
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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**Notices Required for UK public companies:**

**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 to consult your stockbroker, bank manager or other professional adviser, duly authorized under the Financial Services and Markets Act 2000, immediately.

If you have sold or transferred all your Ordinary Shares in Spark Networks plc, please send this document, together with the enclosed form of proxy, to the purchaser or to the stockbroker, bank or other agent through whom the sale was effected, for transmission to the purchaser or transferee.

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**Spark Networks plc**

(incorporated and registered in England and Wales

under the Companies Act 1985, Registered No. 03628907)

**ANNUAL GENERAL MEETING 2006**

**AND**

**PROPOSED PURCHASE OF**

**OWN SHARES**

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Notice of the Annual General Meeting of Spark Networks plc, to be held at Fifth Floor, 99 Gresham Street, London EC2V 7NG, England on November 21, 2006 at 5:00 pm (London Time), is set out on pages i to iii of this document. A form of proxy for use by holders of ordinary shares at the Annual General Meeting is enclosed and, to be valid, should be completed and returned as soon as possible, but in any event so as to be received by the Company's registrars, Capita Registrars, Proxy Department, PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England, not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not prevent holders of ordinary shares from attending the Annual General Meeting in person if they so wish.

A Voting Instruction Form is enclosed for holders of the Company's American Depositary Shares and Global Depositary Shares and, to be valid, this should be completed and returned as soon as possible, but in any event so as to be received by the Company's depositary, The Bank of New York, 101 Barclay Street, Attn: Proxy Department, A-Level, New York, NY 10286, USA by no later than close of business on November 14, 2006.

**SPARK NETWORKS PLC**

**8383 WILSHIRE BLVD., SUITE 800**

**BEVERLY HILLS, CALIFORNIA 90211, USA**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2006 Annual General Meeting of Spark Networks plc (the **Company** ) will be held at Fifth Floor, 99 Gresham Street, London, EC2V 7NG, England on November 21, 2006 at 5:00 pm (London Time) to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 9 will be proposed as ordinary resolutions, and resolution 10 will be proposed as a special resolution:

***Ordinary Business***

- |              |   |
|--------------|---|
| Resolution 1 | To elect as a director Adam S. Berger.  |
| Resolution 2 | To elect as a director Jonathan B. Bulkeley.  |
| Resolution 3 | To elect as a director Christopher S. Gaffney.  |
| Resolution 4 | To elect as a director Michael A. Kumin.  |
| Resolution 5 | To elect as a director Scott Sassa.   |
| Resolution 6 | To re-elect as a director David E. Siminoff.  |
| Resolution 7 | To receive the Accounts for the period ended December 31, 2005 and the Directors and Auditors Reports on those Accounts.  |
| Resolution 8 | To approve the Directors Remuneration Report for the period ended December 31, 2005.  |
| Resolution 9 | To reappoint Ernst & Young LLP as Auditors of the Company to hold office to the conclusion of the next general meeting at which accounts are laid before the Company and to authorize the Directors to fix the Auditors remuneration. |

***Special Business***

- |               |       |
|---------------|-------|
| Resolution 10 | THAT: |
|---------------|-------|

(a) subject to paragraph 10(c) below, the terms of an agreement between the Company and BNY (Nominees) Limited for the purchase by the Company of up to 2,000,000 ordinary shares of £0.01 each in the capital of the Company for the nominal sum of £1 as set out in the draft contract produced to the meeting and signed by the Chairperson of the meeting for the purposes of identification ( **Contract** ) be approved for the purposes of Part V Chapter VII of the Companies Act 1985 ( **Act** ) and the Company be authorized to enter into the Contract, provided that the authority conferred by this resolution will expire on May 20, 2008;

(b) subject to paragraph 10(c) below, the arrangement whereby the Company will purchase and/or procure its nominees to purchase in the market GDSs traded on the Frankfurt Stock Exchange and/or ADSs traded on the American Stock Exchange (as such terms are defined in the Contract), and which GDSs and/or ADSs represent the ordinary shares referred to in paragraph 10(a) above, be and is hereby approved for the purposes of (to the extent applicable) Part V Chapter VII of the Act and, so that the Company may purchase GDSs and ADSs in which directors of the Company and persons connected with them are interested, for the purpose of section 320 of the Act, provided that:

(i) the GDSs and ADSs so purchased are in aggregate represented by not more than 2,000,000 ordinary shares of £0.01;

(ii) the maximum price for the GDSs so purchased shall not exceed \_\_\_\_\_ euro per GDS and the maximum price for the ADSs so purchased shall not exceed \$7.25 per ADS;

(iii) the minimum price for the GDSs so purchased shall not be less than 0.01 euro per GDS and the minimum price for the ADSs so purchased shall not be less than \$0.01 per ADS; and

(iv) the authority given for such purchases will expire on May 16, 2008;

(c) the Company shall not purchase GDSs and/or ADSs and/or ordinary shares pursuant to this resolution if (i) any person in respect of interests notified by such person from time to time to the Company; and/or (ii) any group of persons who from time to time have specifically and expressly notified the Company that they are a group of persons acting in concert in respect of the Company would as a result of any such purchase be subject to an obligation to make an offer pursuant to Rule 9 of the City Code on Takeovers and Mergers ( Code ) in the absence of a waiver of such obligation by the Panel on Takeovers and Mergers ( Panel ), and such a waiver has not been obtained; and

(d) a failure to comply with paragraph (c) of this resolution shall not render a purchase of GDSs and/or ADSs and/or the cancellation of ordinary shares associated with any such purchase unauthorised and/or unlawful, and shall not affect the validity of any purchase of GDSs and/or ADSs and/or the cancellation of ordinary shares associated with any such purchase;

(in this resolution, references to the Act, the Code and the Panel refer to the Act, the Code and the Panel as amended or replaced or constituted from time to time).

Dated \_\_\_\_\_, 2006

By Order of the Board

Registered in England and Wales  
Number 3628907

Joshua A. Kreinberg  
Secretary

Registered office:

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24-26 Arcadia Avenue

Finchley Central

London N3 2JU

England

Notes for holders of Ordinary Shares (referred to below as a *member*):

1. A member of the Company entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. To be effective, a completed and signed proxy form, together with any power of attorney or other authority under which it is signed or notarially certified copy of such power of attorney, must reach the Company's registrars, Capita Registrars, Proxy Department, PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England not less than 48 hours before the time appointed for the holding of the meeting or any adjournment.

2. The appointment of a proxy does not prevent a member who so wishes from attending the meeting and voting in person.

**Action to be taken Holders of Ordinary Shares ( Ordinary Shareholders )**

Whether or not Ordinary Shareholders intend to attend the Annual General Meeting in person, they are urged to complete, sign and return the enclosed form of proxy as soon as possible, but in any event so as to be received by the Company's registrars, Capita Registrars, Proxy Department, PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England, so as to arrive no later than 5:00 pm (London Time) on November 19, 2006. The return of the form of proxy will not prevent Ordinary Shareholders from attending the Annual General Meeting and voting in person should they wish to do so.

**Action to be taken Holders of Global Depositary Shares and American Depositary Shares (together Depositary Shareholders )**

Whether or not Depositary Shareholders intend to attend the Annual General Meeting in person, they are urged to complete, sign and return the enclosed Voting Instruction Form as soon as possible, but in any event so as to be received by the Company's Depositary, The Bank of New York, 101 Barclay Street, Attn: Proxy Department, A-Level, New York, NY 10286, USA by no later than close of business on November 14, 2006. Depositary Shareholders will not be permitted to vote in person at the meeting. Depositary Shareholders may only vote by submitting a Voting Instruction Form in accordance with these requirements.

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Due Date for Delivery of Voting Instruction Form by Depositary Shareholders	5:00 pm (Eastern Standard Time) on November 14, 2006
Due Date for Delivery of Form of Proxy by Ordinary Shareholders	5:00 pm (London Time) on November 19, 2006
Annual General Meeting	5:00 pm (London Time) on November 21, 2006

**SPARK NETWORKS PLC**

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**Proxy Statement**

**and**

**Explanatory Notes**

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**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**November 21, 2006, AT 5:00 P.M. (LONDON TIME)**

This proxy statement is delivered to you by Spark Networks plc, a public limited liability company registered in England, in connection with the Annual General Meeting of Shareholders (the **Meeting**) to be held on November 21, 2006 at 5:00 p.m. (London Time) at Fifth Floor, 99 Gresham Street, London EC2V 7NG. We anticipate sending this proxy statement and the enclosed proxy to our shareholders on or about October 10, 2006.

**Solicitations**

The cost of preparing, assembling, and mailing the proxy materials and of reimbursing brokers, nominees and fiduciaries for the out-of-pocket and clerical expenses of transmitting copies of the proxy material to the beneficial owners of shares, ADRs and GDRs as of the record date will be borne by the Company. The solicitation of proxies will be made by use of the mail and may also be made by telephone, telegraph, or personally, by certain directors, officers and regular employees of the Company who will receive no extra compensation for those services.

**Annual Report**

Our Annual Report to shareholders for the year ended December 31, 2005 is concurrently being provided to each shareholder at the time we send this proxy statement and the enclosed proxy.

**Voting and Proxies Ordinary Shares**

Your vote is important. Your shares can be voted at the Meeting only if you are present in person or represented by proxy at the Meeting. Each registered holder of ordinary shares present in person at the Meeting is entitled to one vote on a show of hands.

At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by (a) the chairman, (b) not less than three shareholders present in person or by proxy and entitled to vote, (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or (d) a member or members present in person or by proxy and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to no less than one tenth of the total sum paid up on all the shares conferring that right. A poll shall be taken in such manner as the chairman of the meeting may direct. Each registered holder of ordinary shares present in person or by proxy at the Meeting shall, upon a poll, have one vote for each ordinary share held by such holder. In the event of a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all votes or cast all votes in the same way.

A shareholder of the Company entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, vote instead of him/her. To be effective, a completed and signed proxy form, together with any power of attorney or other authority under which it is signed or notarially certified copy of such power of attorney, must reach the Company's registrars not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment at the address below:

Capita Registrars, Proxy Department,

PO Box 25, The Registry



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34 Beckenham Road

Beckenham, Kent BR3 4TU, England

Even if you plan to attend the Meeting, we urge you to complete and submit a proxy form in advance. The appointment of a proxy does not prevent a shareholder who so wishes from attending the Meeting and voting in person.

Shareholders who hold their shares beneficially through a nominee (such as a bank or broker) should follow the instructions you receive from your nominee to vote these shares.

Any proxy given may be revoked at any time up to one hour before the start of the Meeting or adjourned meeting by notifying Capita Registrars in writing of such revocation at the address set out on the proxy form, or by attending and voting in person at the Meeting or any adjournment thereof.

#### **Voting ADR and GDR Holders**

At the close of business on \_\_\_\_\_, 2006 (the **ADR/GDR Record Date**), the Company had outstanding \_\_\_\_\_ ordinary shares, nominal value £0.01, of which \_\_\_\_\_ were held in the name of BNY (Nominees) Limited on behalf of The Bank of New York as depositary (the **Depositary**), which issues American Depositary Receipts (**ADRs**) evidencing American Depositary Shares and Global Depositary Receipts (**GDRs**) evidencing Global Depositary Shares, each of which represent one ordinary share of the Company.

ADR and GDR holders are not entitled to vote directly at the Meeting; however, Deposit Agreements exist between The Bank of New York and the holders of ADRs and GDRs pursuant to which registered holders of ADRs and GDRs as of the ADR/GDR Record Date are entitled to instruct the Depositary as to the exercise of voting rights pertaining to the ordinary shares so represented.

The Depositary has agreed that it will endeavour, insofar as practicable, to vote (in person or by delivery to the Company of a proxy) the ordinary shares registered in its name in accordance with the instructions of the ADR and GDR holders, as applicable. In the event that the instruction card is executed but does not indicate by marking a vote **FOR**, **AGAINST** or **ABSTAIN**, the Depositary will vote the ordinary shares represented by the instruction card in accordance with the recommendations of the board of directors described herein on each proposal set forth in the Notice of Annual General Meeting and will give its proxies authority to vote in their discretion on any other proposals properly brought before the Meeting. Instructions from the ADR and GDR holders should be sent to the Depositary so that the instructions are received by no later than the close of business on November 14, 2006 (the **Instruction Date**). Any holder of ADRs or GDRs giving instructions to the Depositary has the power to revoke the instructions by delivery of notice to the Depositary at The Bank of New York, 101 Barclay Street, Attn: Proxy Department, A-Level, New York, NY 10286 at any time so that the Depositary receives, by no later than the close of business on the Instruction Date, duly executed instructions bearing a later date or time than the date or time of the instructions being revoked.

#### **Quorum**

Persons holding one third of the Company's ordinary shares present in person or by proxy at the Meeting and entitled to vote constitute a quorum for the transaction of business. Furthermore, under English common law, a meeting typically requires the presence of at least two people, although it is acceptable for such people to be members of proxies for members.

#### **Counting of Votes**

If a proxy in the accompanying form is duly executed and returned, the shares represented by the proxy will be voted as directed. All properly executed proxies delivered pursuant to this solicitation and not revoked will be voted at the Meeting in accordance with the directions given. Representatives of our registrars will assist us in the tabulation of the votes.

Proxies duly executed by registered holders of ordinary shares will be voted in accordance with the instructions given or, if no instruction is given, will be voted in accordance with the discretion of the proxies and in accordance with the recommendations of the board of directors described herein on each proposal.

**Effect of Abstentions and Broker Non-Votes**

An abstention is the voluntary act of not voting by a shareholder who is present at a meeting and entitled to vote. A broker non-vote occurs when a broker nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary power for that particular item and has not received instructions from the beneficial owner. Abstentions and broker non-votes will be treated as present and entitled to vote for purposes of determining the presence of a quorum; however, they are not counted in the votes cast and will have no effect on any resolution voted on at the Meeting.

**Postponement or Adjournment of Meeting**

If a quorum is not present or represented within five minutes from the time appointed for the Meeting, our Articles of Association provide that the Meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day, time and place as our Board may determine.

**RESOLUTION NOS. 1-6**

**ELECTION AND RE-ELECTION OF DIRECTORS**

Our Articles of Association provide that all directors appointed by the Board since the last annual general meeting are subject to election by shareholders at the first annual general meeting following their appointment. Our Articles of Association also provide that the re-election of our board of directors shall be performed through a retirement by rotation system. At each annual general meeting one-third, or the number nearest to but not exceeding one-third, of our board of directors shall retire from office by rotation. Any retiring director shall be eligible for re-election. Our directors who retire by rotation include (1) any director who wishes to retire and not to offer himself for re-election and (2) any further directors who retire by rotation are those who have been longest in office since their last election or re-election. Where two or more persons became or were re-elected as directors on the same day, those to retire, unless they otherwise agree among themselves, are determined by lot.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES.**

**Information Concerning Director Nominees**

Name	Age	Position
Adam S. Berger	43	Director
Jonathan B. Bulkeley	45	Director
Christopher S. Gaffney	43	Director
Michael Kumin	34	Director
Scott Sassa	47	Director
David E. Siminoff	42	Chief Executive Officer, Director and Chairman of the Board

*Adam Berger* joined as a member of our board of directors in September 2006. From June 1999 to September 2006, Mr. Berger served as President and Chief Executive Officer of WeddingChannel.com Inc., a publishing and online media resource for weddings. Previously, Mr. Berger was President of The Franklin Mint, and was employed by The Boston Consulting Group and The Procter and Gamble Company. Mr. Berger is currently a director of PeopleSupport Inc. (Nasdaq: PSPT). Mr. Berger holds an M.B.A. with distinction from the Harvard Business School and a Bachelor of Science in Chemical Engineering from the University of California at Berkeley.

*Jonathan B. Bulkeley* joined as a member of our board of directors in September 2006. Since February 2006, Mr. Bulkeley has served as chief executive officer of Scanbuy, a company that develops bar code readers for cell phones. From October

2002 to February 2006 he was Managing Partner of Achilles Partners LLC, an investment, advisory and research firm, and prior to that, from October 2001 to October 2002, he was chairman and chief executive officer of Lifeminders, Inc., an online direct marketing company. From December 1998 to January 2000, Mr. Bulkeley was chief executive officer of barnesandnoble.com. Mr. Bulkeley also served as Vice Chair of EDGAR-Online from April 2003 to April 2004 and Chairman of QXL Ricardo, plc from February 1998 to December 2004. Mr. Bulkeley currently sits on the Board of Directors of The Readers Digest Association (NYSE: RDA) and US Trusts Excelsior Buyout Fund of Funds, Excelsior Absolute Return Hedge Fund of Funds and Excelsior Real Estate Fund. Mr. Bulkeley is a graduate of Yale University.

*Christopher S. Gaffney* joined as a member of our board of directors in September 2006. Mr. Gaffney co-founded Great Hill Partners, LLC, a private equity firm, and has served as one of its managing partners since January 1999. Mr. Gaffney currently serves on the board of numerous private companies and has cumulatively served on over 35 private and public boards. Mr. Gaffney is also a director of the Newton (MA) YMCA. Mr. Gaffney holds a B.S. in accounting and economics from Boston College.

*Michael Kumin* joined as a member of our board of directors in July 2006. Mr. Kumin is a partner of Great Hill Partners, LLC, where he has served as an investment professional since June 2002. From August 1999 to June 2001, Mr. Kumin served as Executive Vice President of Creative Planet, Inc., an information and technology company targeting the entertainment industry. Previously, he served at separate times as an investment professional for Apollo Advisors, L.P. and Goldman, Sachs L.P. in their private equity funds. He holds a B.A. in public policy and international affairs from Princeton University.

*Scott Sassa* joined as a member of our board of directors in September 2006. Mr. Sassa is the Chief Executive Officer and Founder of W Cubed Media, a consumer Internet start up. From August 2005 until April 2006, he was Chief Executive Officer in Residence at Kleiner, Perkins, Caufield & Byers, a venture capital firm. From June 2004 to July 2005 he was president and chief executive officer of Friendster, Inc. and beginning in September 1997 until June 2003 he held various positions at General Electric, such as President, NBC West Coast, President, NBC Entertainment and President, NBC Television Station Group. Mr. Sassa has also held various positions at Turner Broadcasting System including serving on its board of directors and President of the entertainment division.

*David E. Siminoff* has served as our Chief Executive Officer since August 2004 and as a member of our board of directors since March 2004. He became chairman of our board of directors in September 2006. Mr. Siminoff also held the title of President from August 2004 to July 2006. From October 2003 to February 2004, Mr. Siminoff was Chief Financial Officer of PayByTouch, a company that produces biometric payment services and during interim periods of employment, Mr. Siminoff was a private investor of several start-up companies. From August 1994 to January 2003, Mr. Siminoff served as a Research Analyst and Portfolio Manager for Capital Research and Management Company, where he dealt primarily with Media and Internet technologies. In 1998 he was named Best of the Buyside by Institutional Investor Magazine. Prior to his work with Capital Research, Mr. Siminoff founded EastNet, a global syndicate barter company. Mr. Siminoff received both BA and MBA degrees from Stanford University and a Masters degree in Fine Arts from the University of Southern California film school.

#### **Vote Required**

With regards to the election and re-election of the directors, you may vote in favor or against each of the nominees and you may also withhold your vote as to any nominee. In order to elect or re-elect any of the directors a simple majority of the votes cast on each resolution is required.

**Directors Not Standing for Re-Election**

The members of the board of directors who are not retiring by rotation and who therefore are not required to stand for re-election at this year's Annual General Meeting are set forth below.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Michael A. Brown	41	Director
Martial Chaillet	59	Director
Benjamin Derhy	51	Director
Laura Lauder	45	Director

*Michael A. Brown* has served as a member of our board of directors since December 2004. Since September 2002, Mr. Brown has been a managing partner at government and public affairs consulting firm Alcalde & Fay, based in Washington, D.C. At Alcalde & Fay Mr. Brown is focused on international trade, foreign relations, federal and state representation and public policy. In addition to serving on our board of directors, Mr. Brown serves on the board of directors of Comcast of Washington, DC. From June 1996 to September 2002, he practiced law at Washington-based Patton Boggs LLP, where he concentrated on a range of municipal issues. Mr. Brown has twice been appointed as a member to the U.S. Presidential Delegations to Africa and serves as the president of the Ronald H. Brown Foundation, which seeks to carry on the work of Mr. Brown's father, who was U.S. Secretary of Commerce under former President Bill Clinton. Mr. Brown earned a BA degree from Clark University and a JD from Widener University School of Law.

*Martial Chaillet* has served as a member of our board of directors since February 2005. Mr. Chaillet founded MediaWin & Partners in January 2003. MediaWin is a private investment firm that focuses primarily on investments in media and media-related companies. Prior to founding MediaWin, Mr. Chaillet served in a variety of roles at The Capital Group for thirty years, most recently as Senior Vice President and Global Portfolio Manager of Capital Research and Management, the mutual fund arm of the financial institution. In addition to serving on our board of directors, Mr. Chaillet sits on the boards of directors of Infosearch, Wisekey, Snap TV and Media Partners. Mr. Chaillet earned a degree in Econometrics from the University of Geneva and graduated, with honors, from the Swiss Technical School.

*Benjamin Derhy* has served as a member of our board of directors since October 2004. Over the last five years, Mr. Derhy has not held any employment positions but has been a private investor and entrepreneur, focusing on Internet, consumer products and real estate sectors as well as start-up companies in Europe and Israel. His experience also includes working with American companies and their expansion internationally. In 1984, Mr. Derhy co-founded Turbo Sportswear, a successful clothing manufacturer, and was employed there until 1997. Previously, he was controller at the Hebrew University in Jerusalem, responsible for annual budgets, financial planning and cost accounting. Mr. Derhy holds both BA and MBA degrees from the Hebrew University.

*Laura Lauder* has served as a member of our board of directors since January 2005. Mrs. Lauder has served as a General Partner at Lauder Partners, a Silicon Valley-based venture capital fund, for the past ten years. At Lauder Partners, Mrs. Lauder focuses primarily on Internet and cable-related investments. In addition to her work at Lauder Partners, Mrs. Lauder is involved in a variety of philanthropic initiatives, particularly in the Jewish community. In the past, she has served on the boards of numerous organizations, including the San Francisco Jewish Community Federation and its Endowment Committee, the Jewish Education Service of North America, the Jewish Funders Network, American Jewish World Service and the National Public Radio Foundation. In 2004, Mrs. Lauder was named one of 10 Women to Watch by *Jewish Woman* magazine. Mrs. Lauder earned a BA in International Relations from the University of North Carolina - Chapel Hill and the Universidad de Sevilla, Spain.

**Executive Officers Who Are Not Also Directors**

The following persons serve as executive officers of the Company:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Gregory R. Liberman	34	President and Chief Operating Officer
Mark G. Thompson	45	Chief Financial Officer

*Gregory R. Liberman* was appointed President in June 2006 and since August 2005 he has served as Chief Operating Officer. Mr. Liberman also served as the Company's General Counsel from October 2004 to April 2006. From January 2004 to May 2004 Mr. Liberman served as General Counsel and Corporate Secretary of CytRx Corporation, a publicly-traded biotechnology company based in Los Angeles. During his tenure there, Mr. Liberman oversaw legal affairs, policy and strategy for the company. From January 2002 to December 2003, Mr. Liberman served as an independent strategic consultant. Immediately prior to that consulting work, from September 2001 to November 2001, he attended and completed the Program for Management Development at Harvard Business School. From March 1999 to August 2001, Mr. Liberman served in a variety of senior legal and corporate development roles at telecommunications firm Global Crossing and Internet infrastructure providers GlobalCenter (then, a subsidiary of Global Crossing) and Exodus Communications. Mr. Liberman joined Exodus, where he ultimately served as Vice President, Legal & Corporate Affairs, after Global Crossing's sale of GlobalCenter to Exodus. Immediately prior to Exodus' acquisition of GlobalCenter, Mr. Liberman served as GlobalCenter's Vice President, Corporate Development and Associate General Counsel. While at Global Crossing, Mr. Liberman served as Director, Business Development Counsel. Mr. Liberman earned a JD, with Honors, from The Law School at the University of Chicago and an AB, with University Distinction and Honors in Economics, from Stanford University.

*Mark G. Thompson* has served as our Chief Financial Officer since October 2004. He brings 18 years of financial management and capital markets experience to his current role. From December 2002 to October 2003 and from February 2004 to September 2004 Mr. Thompson served as CFO of Pay By Touch, a leading provider of biometric payment authentication and payment processing services. From October 2003 to February 2004, Mr. Thompson was Vice President Finance of Pay By Touch. From August 2001 to October 2002, Mr. Thompson was CFO of Vectiv and from July 1999 to July 2001, he was CFO of MarketTools, a provider of online marketing research. Previously, he was Corporate Treasurer of PeopleSoft and Assistant Treasurer of Chiron. Mr. Thompson also held senior positions in finance and engineering at Chevron. He holds a BS degree in electrical engineering from Texas A&M University and an MBA from The Haas School of Business at The University of California at Berkeley.

There are no family relationships among any of our executive officers or directors.

**Corporate Governance and Board Matters**

*Vacancies*

At each annual general meeting of shareholders one-third, or the number nearest to but not exceeding one-third, of our board of directors shall retire from office pursuant to the provisions set out in our Articles of Association. Any retiring director is eligible for re-election. The Company may by ordinary resolution elect, and without prejudice thereto, the directors shall have power at any time to appoint, any person to be a director either to fill a casual vacancy or as an additional director, but so that the total number of directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with the Company's Articles of Association. Any person so appointed by the directors shall hold office until the next Annual General Meeting and shall then be eligible for election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

*Compensation of Directors*

As of October 1, 2006, we pay our non-employee directors the following compensation, except Christopher Gaffney and Michael Kumin, who chose to waive any fees for their service on the board or any committee:

*Base Annual Board Service Fee:* Each director is paid \$2,500 per quarter (or \$10,000 annually).

*Excess In-Person Board Meeting Fee:* Each director is paid \$1,000 for in-person attendance at each in-person board meeting that is in excess of in-person attendance of four times in a calendar year, and such amount will not exceed the aggregate of \$4,000 per year. No fees are paid for telephonic meetings or telephonic attendance at in-person board meetings.

*Base Annual Committee Service Fee:* Each member of the Nominating and Compensation Committees receives \$1,000 annually and each member of the Audit Committee receives \$2,000 annually for committee service.

*Committee Chairmanship Annual Fee:* Each Chair of the Nominating and Compensation Committees is paid \$500 annually and the Chair of the Audit Committee is paid \$1,000 annually for service as a committee Chair.

*Excess Committee In-Person Meeting Fee:* Each committee member is paid \$500 for in-person attendance at each in-person committee meeting that is in excess of in-person attendance of four times in a calendar year; and such amount will not exceed the aggregate of \$2,000 per year. No fee is paid for telephonic meetings or telephonic attendance at in-person board meetings.

*Expenses:* Each director receives expense reimbursement for reasonable travel for in-person board and committee meeting attendance.

*Attendance Policy:* If a non-employee director is absent during any calendar year for two meetings of the board of directors or a committee for which approval of all members of the board or committee, as applicable, in attendance at the meeting is not obtained, then such non-employee director agrees to resign. Arriving substantially late to a meeting, without substantial prior notice, is deemed to be an absence from the meeting.

Previously, non-employee directors were paid \$30,000 per year and received a fee of \$1,000 for each in-person board and committee meeting attended and \$500 for each telephonic board and committee meeting attended. Officers of our company who are members of the board of directors are not paid any directors' fees. Under our new director compensation policy, upon initial appointment, each director, except Christopher Gaffney and Michael Kumin, receives options to purchase 50,000 ordinary shares, one-quarter of which vest on the first anniversary of the grant date and the remainder vest 1/16 per quarter. The vesting of the options accelerate if there is a change of control, as defined in the relevant share option certificate, and the director does not continue as a director following such change of control. Directors are eligible to receive, from time to time, grants of options to purchase shares under our 2004 Share Option Scheme as determined by the board of directors. Upon their appointment, each of Messrs. Bulkeley, Berger, Kumin and Sassa were granted options to purchase 50,000 shares with the acceleration provision described above. In 2004, we granted options to purchase 80,000 ordinary shares, which vest over a four-year period, to Michael Brown and Benjamin Derhy, and in February 2005 we made a similar grant of options to purchase 80,000 ordinary shares to Laura Lauder and Martial Chaillat. The options granted to Messrs. Brown and Derhy and Ms. Lauder accelerate upon a change of control, as defined in the relevant share option certificate, regardless of whether the director continues as a director following such change of control.

#### *Board Member Independence*

The board of directors has determined that each of the non-management directors Adam Berger, Michael Brown, Jonathan Bulkeley, Martial Chaillat, Benjamin Derhy, Christopher Gaffney, Michael Kumin, Laura Lauder and Scott Sassa is an independent director under the general guidelines for determining director independence of the American Stock Exchange.

#### *Attendance at Board and Committee Meetings*

Nine regular meetings of the board of directors were held during 2005. Each person who was a director during 2005 attended at least 75% of the aggregate of the total number of meetings held by the board of directors and a majority of the total number of meetings held by those committees of the board of directors on which such director served.

We encourage all directors to attend the annual meeting of shareholders. In 2005, Mr. Siminoff attended the annual meeting of shareholders by telephone. The other directors did not attend.

*Committees and Corporate Governance*

The current standing committees of our board of directors are the Audit Committee, the Compensation Committee, and the Nominating Committee. Each of these committees has a written charter approved by our board of directors. The members of the committees and a description of the principal responsibilities of each committee are described below.

A copy of each committee charter can be found on our website at [www.spark.net](http://www.spark.net) by clicking [Investor Relations](#) and then [Corporate Governance](#), and is available in print upon request to the General Counsel of Spark Networks plc, 8383 Wilshire Boulevard, Suite 800, Beverly Hills, California 90211.

**Board Committees**

*Audit Committee.* The Audit Committee consists of Jonathan Bulkeley, Benjamin Derhy and Michael Brown, each of whom are independent directors under SEC Rule 10A-3(b) and the rules of the American Stock Exchange. Jonathan Bulkeley, Chairman of the Audit Committee, is an audit committee financial expert as defined under Item 401(h) of Regulation S-K. Prior to September 2006, the Audit Committee consisted of Martial Chaillet, Benjamin Derhy and Michael Brown. The Audit Committee held 18 meetings during 2005.

The purpose of the Audit Committee is to represent and assist our board of directors in its general oversight of our accounting and financial reporting processes, audits of the financial statements and internal control and audit functions. The Audit Committee's responsibilities include:

The appointment, replacement, compensation, and oversight of work of the independent auditor, including resolution of disagreements between management and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.

Reviewing and discussing with management and the independent auditor various topics and events that may have significant financial impact on our company or that are the subject of discussions between management and the independent auditors.

A copy of the Audit Committee Charter is attached hereto as [Appendix A](#).

*Compensation Committee.* The Compensation Committee consists of Laura Lauder (Chair), Michael Kumin and Martial Chaillet, each of whom are independent directors. Messrs Kumin and Chaillet were appointed to the Compensation Committee in September 2006 at which time Mr. Derhy was no longer a member. The Compensation Committee is responsible for the design, review, recommendation and approval of compensation arrangements for our directors, executive officers and key employees, and for the administration of our share option schemes, including the approval of grants under such schemes to our employees, consultants and directors. The Compensation Committee also reviews and determines compensation of our executive officers, including our Chief Executive Officer. The Compensation Committee did not meet during 2005.

*Nominating Committee.* The Nominating Committee consists of Scott Sassa (Chair), Adam Berger and Christopher Gaffney, each of whom are independent directors under the American Stock Exchange listing standards. Prior to September 2006, the Nominating Committee consisted of Michael Brown, Martial Chaillet and Laura Lauder. The Nominating Committee assists in the selection of director nominees, approves director nominations to be presented for shareholder approval at our annual general meeting and fills any vacancies on our board of directors, considers any nominations of director candidates validly made by shareholders, and reviews and considers developments in corporate governance practices. The Nominating Committee did not meet during 2005.

*The Director Nomination Process*

The Nominating Committee considers nominees from all sources, including shareholders. Shareholder nominees are evaluated by the same criteria used to evaluate potential nominees from other sources. The board of directors will consist of a majority of directors who qualify as independent directors within the meaning of the listing standards of the AMEX, as the same may be amended from time to time. Minimally, nominees should have a reputation for integrity, honesty and adherence to high ethical standards. They should have demonstrated business experience and the ability to exercise sound



judgment in matters related to the current and long-term objectives of the Company, and should be willing and able to contribute positively to the decision-making process of the Company. In addition, they should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of the Company or to fulfill the responsibilities of a director. The value of diversity on the board should be considered and the particular or unique needs of the Company shall be taken into account at the time a nominee is being considered. Additionally, the Nominating Committee considers the respective qualifications needed for directors serving on various committees of the board, and serving as chairs of such committees, should be taken into consideration. In recruiting and evaluating nominees, the Committee considers the appropriate mix of skills and experience and background needed for members of the board and for members of each of the board's committees, so that the board and each committee has the necessary resources to perform its respective functions effectively. The Committee also believes that a prospective nominee should be willing to limit the number of other corporate boards on which he or she serves so that the proposed director is able to devote adequate time to his or her duties to the Company, including preparing for and attending board and committee meetings. In addition, the re-nomination of existing directors is not viewed as automatic, but based on continuing qualification under the criteria set forth above. In addition, the Committee will consider the existing director's performance on the board and on any committee on which such director serves, which will include attendance at board and committee meetings.

*Director Nominees by Shareholders.* The Nominating Committee will consider nominees recommended in good faith by our shareholders as long as these nominees for the appointment to the board of directors meet the requirements set forth above. Possible candidates who have been suggested by shareholders are evaluated by the Nominating Committee in the same manner as are other possible candidates.

*Submission for Proxy Materials.* Shareholders are hereby notified that if they wish their director-nominee(s) to be included in our proxy statement and form of proxy relating to the 2007 Annual General Meeting of Shareholders, they must submit, in writing, the candidate's name, credentials, contact information, along with the other information set forth below, and his or her written consent to be considered as a candidate, to our General Counsel no later than \_\_\_\_\_, 2007. If the date of next year's annual general meeting is changed by more than 30 days from the date of this year's meeting, then the deadline is a reasonable time before we begin to print and mail proxy materials. Director nominations must comply with the proxy rules relating to shareholder proposals, in particular Rule 14a-8 under the Securities Exchange Act of 1934, in order to be included in our proxy materials.

*Submission for Consideration at Shareholder Meeting.* Shareholders who wish to submit a director-nominee for consideration at a general meeting of shareholders, but who do not wish to submit the nominee for inclusion in our proxy statement, must, in accordance with Section 89 of our Articles of Association, deliver to our registered office notice of the intention to propose such nominee no later than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting. The submission must be signed by an ordinary shareholder (other than the person to be proposed) duly qualified to attend and vote at such meeting along with consent of the person to be proposed indicating willingness to be elected. In this instance, proxies are given discretionary authority to vote on such nominees.

#### **Code of Business Conduct and Ethics**

Our board of directors has adopted a Code of Business Conduct and Ethics, which applies to all directors, officers and employees. The purpose of the Code is to promote honest and ethical conduct. The Code is posted in the corporate governance section of the investor relations page of our Web site located at [www.spark.net](http://www.spark.net), and is available in print, without charge, upon written request to the General Counsel at Spark Networks plc, 8383 Wilshire Boulevard, Suite 800, Beverly Hills, California 90211. We intend to promptly post any amendments to or waivers of the Code on our Web site.

#### *Communication with Our Board of Directors*

Shareholders who wish to contact any of our directors either individually or as a group may do so by writing them c/o General Counsel, Spark Networks plc, 8383 Wilshire Boulevard, Suite 800, Beverly Hills, California 90211, by telephone at (323) 836-3600 or by email to [jkreinberg@spark.net](mailto:jkreinberg@spark.net) specifying whether the communication is directed to the entire board or to a particular director. Shareholder letters are screened by Company personnel to filter out improper or irrelevant topics, such as solicitations, and to confirm that such communications relate to matters that are within the scope of responsibilities of the board or a Committee.

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**EXECUTIVE COMPENSATION**
**Summary Executive Compensation Table**

The following table sets forth information concerning the annual and long-term compensation earned by our Chief Executive Officer and each of the other executive officers who served during the year ended December 31, 2005, and whose annual salary and bonus during the fiscal years ended December 31, 2003, 2004 and 2005 exceeded \$100,000 (the **Named Executive Officers** ).

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Securities	All Other Compensation(4)
		Salary	Bonus	Other Annual Compensation(3)	Underlying Options	
David E. Siminoff(1) Chief Executive Officer	2005	\$ 480,000	\$	\$		\$ 14,000
	2004	164,701			1,275,000	800
Joe Y. Shapira(2) Chairman of the Board	2005	365,833			250,000	14,000
	2004	370,207		20,000		12,645
	2003	528,000	1,372,000	20,000		14,000
Gregory R. Liberman(5) President and Chief Operating Officer	2005	186,742	25,000		150,000	7,500
	2004	33,409			100,000	
Philip C. Nelson(6) Chief Technology Officer	2005	250,000				10,000
	2004	61,553			250,000	10,000
Mark G. Thompson(7) Chief Financial Officer	2005	200,000	25,000			8,000
	2004	49,242			250,000	1,083

- (1) Mr. Siminoff became our Chief Executive Officer in August 2004 and has served on the board of directors since March 2004. From August 2004 to June 2006, Mr. Siminoff was our President.
- (2) Mr. Shapira served as our Chief Executive Officer in 2004 and 2003 and until he became Executive Co-Chairman in February 2004. Mr. Shapira became sole Executive Chairman in February 2005. Mr. Shapira resigned from an executive operating role with our company effective December 31, 2005, but remained chairman of the board until his resignation from the board on July 31, 2006. Compensation amounts for 2005 exclude a severance payment of \$125,000 from us to Mr. Shapira pursuant to a Separation Agreement entered into on January 27, 2006 with effect from January 1, 2006.
- (3) Represents an annual automobile allowance.
- (4) Represents the amount of our annual matching contribution to each individual's 401(k) account.
- (5) Mr. Liberman served as our General Counsel from October 2004 to April 2006 and has served as our President since June 2006 and our Chief Operating Officer since September 2005.
- (6) Mr. Nelson became our Chief Technology Officer in October 2004. Mr. Nelson's employment with our company ended on April 4, 2006.
- (7) Mr. Thompson became our Chief Financial Officer in October 2004.

**Employment Agreements**

We hired David E. Siminoff as our President and Chief Executive Officer in August 2004 at an annual salary of \$480,000. In addition, we granted Mr. Siminoff options to purchase 1,250,000 ordinary shares at a per share exercise price of \$4.24. Of these options, 156,250 vested and

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became exercisable on February 12, 2005, and 156,250 options vested and became exercisable on August 12, 2005 and 312,500 vest each of the three 12-month periods thereafter. If Mr. Siminoff is terminated, including voluntary termination, within six months after a change of control, which is defined in Mr. Siminoff's option agreement as an acquisition of more than 45% of our then outstanding shares, or other acquisition of effective control of our company, all of his options will vest immediately. If Mr. Siminoff is terminated without cause or if he terminates his employment with us for good reason, 30% of his unvested options will be accelerated and he will also be entitled to payment

of his monthly salary in effect at the time of termination for a period of nine months following such termination. Pursuant to the terms of his Employment Agreement, Mr. Siminoff may not directly or indirectly compete with us or solicit our customers during the term of his Employment Agreement and he may not disclose any confidential information during or after his employment. In August 2004, Mr. Siminoff also agreed to continue to serve as a member of our board of directors. During 2004, for his services as a director, Mr. Siminoff received options to purchase 25,000 ordinary shares at a per share exercise price of \$9.55, all of which are currently vested.

Pursuant to the offer letter and executive employment agreement with Mark Thompson, we hired Mr. Thompson as our Chief Financial Officer in October 2004 at an annual salary of \$200,000 and upon a successful listing of our shares or a derivative security of our shares on a national exchange or the Nasdaq National Market in the United States, we would pay him a bonus of \$80,000. This bonus was paid upon our listing on the American Stock Exchange in February 2006 and in September 2006 his annual salary was increased to \$225,000. In addition, we granted Mr. Thompson options to purchase 250,000 ordinary shares at a per share exercise price of \$6.69. Those options vest at a rate of 12,500 shares per quarter for quarterly periods commencing three months after the date his employment commenced; provided, however, that options to purchase 50,000 of those shares would accelerate upon a successful listing of our shares or a derivative security of our shares on a national exchange or the Nasdaq National Market in the United States. These options were accelerated upon our listing on the American Stock Exchange in February 2006. In addition, all of the options will accelerate upon a change of control of our company, which is defined in Mr. Thompson's Employment Agreement as the acquisition of more than 50% of our outstanding shares. Pursuant to the terms of his Employment Agreement, Mr. Thompson may not directly or indirectly solicit our customers using confidential information for a period of 12 months following the termination of his Employment Agreement, and he may not disclose any confidential information during or after his employment.

In August 2005, we entered into an executive employment agreement with Gregory R. Liberman, our President and Chief Operating Officer. Pursuant to terms of the employment agreement, Mr. Liberman will be compensated at an annual salary of \$200,000, and upon a successful listing of our shares or a derivative security of our shares on a national exchange or the Nasdaq National Market in the United States, we will pay him a bonus of \$25,000. This bonus was paid upon our listing on the American Stock Exchange in February 2006. In March 2006, Mr. Liberman's annual salary was raised to \$250,000. We also granted Mr. Liberman options, in addition to options granted to him prior to becoming our Chief Operating Officer, to purchase 115,000 ordinary shares at a per share exercise price of \$8.74. Those options will vest at a rate of 6.25% per quarter for quarterly periods commencing three months after the date his employment commenced; provided, however, that options to purchase 50,000 of those shares would accelerate upon a successful listing of our shares or a derivative security of our shares on a national exchange or the Nasdaq National Market in the United States. These options were accelerated upon our listing on the American Stock Exchange in February 2006. In addition, all of the options will accelerate upon a change of control of our company, which is defined in Mr. Liberman's employment agreement as the acquisition of more than 50% of our outstanding shares. Pursuant to the terms of his Employment Agreement, Mr. Liberman may not directly or indirectly solicit our customers using confidential information for a period of 12 months following the termination of his Employment Agreement and he may not disclose any confidential information during or after his employment.

We hired Philip Nelson as our Chief Technology Officer in October 2004 at an annual salary of \$250,000. Mr. Nelson's last date of employment with us was April 4, 2006. At the commencement of Mr. Nelson's employment, we granted him options to purchase 250,000 ordinary shares at a per share exercise price of \$6.69. According to the terms of the share option agreement, Mr. Nelson's options vested at a rate of 15,625 shares per quarter, with the first vesting date occurring in January 2005. In addition, all unvested options would have become vested upon a change of control of our company, which was defined in Mr. Nelson's employment agreement as the acquisition of more than 50% of our outstanding shares. Mr. Nelson had a total of 156,250 unvested options that expired and were cancelled upon the termination of his employment with us. Pursuant to the terms of his Employment Agreement, Mr. Nelson may not directly or indirectly solicit our customers using confidential information for a period of 12 months following the termination of his Employment Agreement and he may not disclose any confidential information during or after his employment.

Pursuant to the Executive Employment Agreement with Joe Y. Shapira, effective March 1, 2005, Mr. Shapira served as the Executive Chairman of our board of directors at an annual salary of \$350,000. On December 31, 2005, Mr. Shapira resigned from an executive operating role with our company. On January 27, 2006, we entered into a separation agreement with Mr. Shapira (the **Separation Agreement**) with effect from January 1, 2006 pursuant to which Mr. Shapira's Employment Agreement was terminated. Mr. Shapira continued to be a director and serve as Chairman of our board of directors until his resignation from those positions on July 31, 2006. In connection with Mr. Shapira's departure from an executive role with our company in January 2006, and pursuant to the Separation Agreement, Mr. Shapira received a one-time severance

payment of \$125,000. Furthermore, Mr. Shapira retained all share options previously awarded to him, and such options vested and became exercisable on the terms set forth in the respective option certificates. In the past, we had granted Mr. Shapira options to purchase 250,000 ordinary shares at a per share exercise price of \$10.50. The options vested at a rate of 31,250 shares per quarter commencing June 1, 2005 and continued to vest until such time as Mr. Shapira was a director. Mr. Shapira may not disclose any confidential information during or after his employment.

**Options Granted in the Year Ended December 31, 2005**

The following table sets forth information concerning individual grants of stock options in 2005 to the Named Executive Officers:

Number of Securities Underlying Options	Individual Grants		
	Percent of Total Options Granted to	Exercise or Base Price	
Granted	Employees(1)	Per Share(2)	Expiration