IMPORTANT INFORMATION: THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your ordinary shares in RURELEC PLC (the "**Company**"), please pass this document (together with the accompanying documents) to the purchaser or transferee, or to the person who arranged the sale or transfer of the shares so they can pass these documents to the person who now holds the shares.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This document has been prepared for the purposes of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

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Please note that due to the on-going coronavirus (COVID-19) outbreak, and in particular, the current UK Government guidance on social distancing, and prohibiting non-essential travel and public gatherings of more than two people (www.gov.uk/coronavirus) shareholders will not be permitted to attend this year's AGM at this time. The AGM will therefore be a purely functional meeting which is anticipated will be attended solely by one Director and the Company Secretary who will carry out the formal business of the meeting as set out in this Notice, while still allowing shareholders to exercise their voting rights. One of these individuals will be the chair of the AGM who will act as duly appointed proxy for shareholders and cast their votes in accordance with their instructions.

UNDER CURRENT ARRANGEMENTS, ANY OTHER ATTENDEES WILL NOT BE PERMITTED ENTRY TO THE MEETING.

In the circumstances, you are strongly encouraged to vote by proxy which will enable you to participate in the meeting by voting on the Resolutions set out in this Notice without attending the meeting in person. All resolutions will be voted on by way of a poll and the voting results will be posted on the Company's website after the meeting (https://www.rurelec.com/investors). Please refer to pages 15 and 16 of this Notice for further instructions on the voting procedure at this year's AGM. To be valid, any form of proxy or other instrument appointing a proxy, must be received either electronically at www.signalshares.com, by post or (during normal business hours only) by hand at the Company's Registrar, or in the case of shares held through CREST, via the CREST system. In each case, for proxy appointments to be valid, they must be received no later than 11.00 a.m. on 26 June 2020.

This Notice sets out the resolutions that shareholders are being asked to consider and vote on. These resolutions are an important part of the governance of the Company and all shareholders are urged to vote by proxy as they will not be able to attend the meeting in person owing to the steps that the Company has been obliged to put in place as a result of the Coronavirus (COVID-19) pandemic.

The whole of this document should be read, but your attention is in particular drawn to the letter from the Chairman of the Company on pages 6 to 12.

RURELEC PLC

(Incorporated and registered in England and Wales with registered number 4812855)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the "**AGM**") of Rurelec PLC will be held at 5 St. John's Lane, London, England, EC1M 4BH at 11.00 a.m. on 30 June 2020 to consider and, if thought fit, pass Resolutions 1 to 7 overleaf.

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

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DEFINITIONS

"**Act**"	the Companies Act 2006 (as amended)
"**Annual General Meeting**" or "**AGM**"	the 2020 Annual General Meeting of the Company to be held at 5 St. John's Lane, London, England, EC1M 4BH at 11.00 a.m. on 30 June 2020, notice of which is set out in the Notice of AGM
"**Articles**"	the articles of association of the Company
"**Capital Reductions**"	the proposed reductions of the Company's share premium account and share capital pursuant to Resolutions 6 and 7 respectively, as set out in the Notice of AGM
"**Capital Reorganisation**"	the proposed sub-division of the Existing Ordinary Shares into New Ordinary Shares and New Deferred Shares pursuant to Resolution 7, as set out in the Notice of AGM
"**Company**"	Rurelec PLC (registered number 04812855)
"**Court**"	the Companies Court, the Chancery Division of the High Court of Justice of England and Wales
"**CREST**"	the electronic settlement system for UK and Irish securities operated by Euroclear UK & Ireland Limited
"**Directors**" or "**Board**"	the directors of the Company
"**Existing Ordinary Shares**"	the Ordinary Shares that will stop trading on AIM the day after the AGM
"**Latest Practicable Date**"	29 May 2020, being the latest practicable date before the publication of this document
"**London Stock Exchange**"	London Stock Exchange plc
"**New Articles**"	the new articles of association to be adopted pursuant to Resolution 7, as set out in the Notice of AGM
"**New Deferred Shares**"	the new deferred shares of £0.01 each in the capital of the Company arising from the Capital Reorganisation
"**New Ordinary Shares**"	the new ordinary shares of £0.01 each in the capital of the Company arising from the Capital Reorganisation
"**Notice of AGM**" or "**Notice**"	the notice convening the Annual General Meeting, which is set out on pages 13 to 16 of this document
"**Ordinary Shares**"	the ordinary shares of £0.02 each in the capital of the Company
"**Privileged Relation**"	in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue)
"**Registrar of Companies**"	the Registrar of Companies under the Act
"**Resolutions**"	the resolutions set out in the Notice of AGM

"**Shareholders**"	the holders of Ordinary Shares
"**Share Capital Reduction**"	the proposed reduction of the Company's issued share capital by way of cancellation of the New Deferred Shares pursuant to Resolution 7, as set out in the Notice of AGM
"**Share Premium Account**"	the share premium account of the Company
"**Share Premium Reduction**"	the proposed reduction of the Company's share premium reduction pursuant to Resolution 6, as set out in the Notice of AGM
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**£**"	Great British pounds, the basic unit of currency in the United Kingdom

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2020
Date of this document	1 June
Latest time and date for receipt of a proxy	11.00 a.m. on 26 June
Annual General Meeting	11.00 a.m. on 30 June
Record date for the Capital Reorganisation	6.00 p.m. on 30 June
Admission of New Ordinary Shares and issue of Deferred Shares	8.00 a.m. on 1 July
Despatch of share certificates to certificated holders	14 July
Expected date of Court hearing to confirm the Capital Reductions	31 July
Expected effective date for the Capital Reductions	1 August

Notes:

(1) References to times in this document are to London time.

(2) The timing of the events in the above timetable and in the rest of this document is indicative only and may be subject to change.

(3) The events listed in the above timetable following the holding of the Annual General Meeting are conditional upon the passing of the Resolution required to give effect to the Capital Reductions (Resolutions 6 and 7).

(4) The Capital Reductions are conditional upon (i) approval by the Court; and (ii) registration with the Registrar of Companies of the Court order confirming the Capital Reductions.

LETTER FROM THE NON-EXECUTIVE DIRECTOR OF RURELEC PLC

(Incorporated and registered in England and Wales with registered number 4812855)

Directors

Brian Rowbotham *(Non-Executive Director)*
Simon Morris *(Executive Director)*
Andrew Coveney *(Executive Director)*

5 St. John's Lane
London
EC1M 4BH

Company Secretary

Maria Jose Bravo Quiterio

1 June 2020

Dear Shareholder,

Annual General Meeting 2020 and Report and Accounts 2019

I am pleased to enclose the Notice of Meeting for the AGM of the Company which will be held at 5 St. John's Lane, London, England, EC1M 4BH at 11.00 am on 30 June 2020.

We recognise that the AGM is a very important occasion for the Board to engage with shareholders and answer any questions that you might have. However, due to the on-going coronavirus (COVID-19) outbreak and in particular, the current UK Government guidance on social distancing, and prohibiting non-essential travel and public gatherings of more than two people (www.gov.uk/coronavirus) shareholders are not permitted to attend the AGM. The AGM will therefore be a purely functional meeting which, is anticipated, will be attended solely by one Director and the Company Secretary who will carry out the formal business of the meeting as set out in this Notice, while still allowing shareholders to exercise their voting rights. One of these individuals will be the chair of the AGM who will act as duly appointed proxy for shareholders and cast their votes in accordance with their instructions. **As mentioned on the front page of this Notice, under current arrangements, any other attendees will not be permitted entry to the meeting**. Please see paragraph 5 below for further information.

The Notice of the AGM which follows this letter, sets out the business to be considered at the meeting. The purpose of this letter is to explain certain elements of that business to you.

1. Business of the Meeting

As you will see from the notice, there are a number of items of business to be considered at the meeting. Explanatory notes on all the business to be considered at the AGM are set out below.

It is proposed that, at the forthcoming AGM, the Company undertakes some special business in addition to the routine business of the AGM.

The Board is proposing to increase the Company's distributable reserves by way of the Capital Reorganisation and Capital Reductions, which will put the Company in a position where it can lawfully pay dividends out of distributable reserves or (if the Shareholders give appropriate authority in the future) buy-back Ordinary Shares in the future.

The proposals consist of:

(a) the Share Premium Reduction, pursuant to which the amount standing to the credit of the Share Premium Account will be cancelled;

(b) the Capital Reorganisation, pursuant to which the Existing Ordinary Shares shall be subdivided into the New Ordinary Shares and the New Deferred Shares;

(c) the Share Capital Reduction, pursuant to which the New Deferred Shares shall be cancelled.

The purpose of this letter is to explain the background to the Capital Reorganisation and Capital Reductions, why the Directors unanimously consider the Capital Reorganisation and Capital Reductions to be in the best interests of the Company and Shareholders as a whole, and to seek Shareholders' approval for the Capital Reorganisation and Capital Reductions. In addition, this document contains details of other business to be conducted at the AGM.

2. Capital Reorganisation and Capital Reductions

Background to, and reasons for, the Capital Reorganisation and Capital Reductions

At present, the Company does not have sufficient distributable reserves to pay dividends or (if the Shareholders give appropriate authority in the future) buy-back Ordinary Shares. The Board therefore proposes that the Capital Reorganisation and Capital Reductions be effected in order to increase the distributable reserves of the Company, which will facilitate these actions should the Board consider it desirable in the future.

As at 31 December 2019, the Company had an accumulated deficit in its profit and loss account of £58,747,492 and the balance standing to the credit of the Share Premium Account was £22,753,689. In addition, as at the Latest Practicable Date, the Company had 561,387,586 Ordinary Shares in issue.

The Company also undertook a reduction of its share premium account in the sum of £45,000,000 which was approved by Shareholders on 14 November 2014 by way of special resolution and subsequently confirmed by the Court on 17 December 2014. As part of that process, the Company gave an undertaking to the Court that the reduction of £45,000,000 would be transferred to a special reserve ("**Special Reserve**") which was prohibited from being treated as distributable reserves whilst certain debts of the Company remained outstanding. Such debts have now been settled and the Company intends to treat the Special Reserve as distributable reserve with effect from 21 May 2020. The treatment of the Special Reserve together with the proposed Capital Reductions will increase distributable reserves and, therefore, facilitate the payment of dividends or (if the Shareholders give appropriate authority in the future) the buy-back of Ordinary Shares.

Share Premium Account

A share premium arises where a company issues shares at a premium to their nominal value. A premium (less any directly attributable transaction costs) is credited to a company's share premium account and is treated, in accordance with applicable law and accounting standards (including the Act), as a non-distributable capital reserve and part of the permanent capital of a company unless its reduction or cancellation is first approved by order of the Court.

With the approval of a company's shareholders, a company may, by way of a special resolution and subsequent confirmation by the Court, reduce or cancel its share premium account and in certain circumstances, credit some or all of such sum arising to its profit and loss account. To the extent that the release of such a sum from a share premium account creates or increases a credit on the profit and loss account, that sum represents distributable reserves of a company.

The Board is, therefore, seeking to cancel the Share Premium Account and will, subject to any undertakings required by the Court (as explained below), be sufficient to eliminate the accumulated deficit in the Company's profit and loss account, and enable the Company to pay dividends or (if the Shareholders give appropriate authority in the future) buy-back Ordinary Shares, should circumstances in the future make it desirable to do so.

Accordingly, it is proposed that the total amount standing to the credit of the Share Premium Account of £22,753,689 is cancelled.

As a result of the Share Premium Reduction, there will be no change to the number of Ordinary Shares in issue.

The rights attaching to the Ordinary Shares following the Share Premium Reduction will remain the same and the Ordinary Shares will continue to have voting, dividend and other rights as set out in the Articles.

Capital Reorganisation

In addition to the Share Premium Reduction and to facilitate the Share Capital Reduction, the Board has proposed the Capital Reorganisation to ensure that each Shareholder's proportionate interest in the Company's issued ordinary share capital will remain unchanged as a result of the proposed Share Capital Reduction. Accordingly, the Board has decided to implement a share reorganisation so that:

every 1 Existing Ordinary Share will be sub-divided into one New Ordinary Share and one New Deferred Share.

The Existing Ordinary Shares are currently admitted to trading on AIM. Application has been made for the New Ordinary Shares to be admitted to trading on AIM ("**Admission**") and it is anticipated that Admission will occur, and trading will commence on 1 July 2020. The Existing Ordinary Shares will cease trading from close of business on 30 June 2020. All of the New Ordinary Shares may then be held and transferred by means of CREST. It is expected that the New Ordinary Shares arising as a result of the Capital Reorganisation in respect of the Existing Ordinary Shares held in uncertificated form, i.e. in CREST, will be credited to the relevant CREST accounts on 1 July 2020 and that definitive share certificates in respect of the New Ordinary Shares arising as a result of the Capital Reorganisation from the Existing Ordinary Shares held in certificated form will be despatched to relevant Shareholders by 14 July 2020. No temporary documents of title will be issued. Share certificates in respect of the Existing Ordinary Shares will cease to be valid at close of business on 30 June 2020 and, pending delivery of share certificates in respect of New Ordinary Shares will be certified against the register. The record date of the Capital Reorganisation is 30 June 2020.

The ISIN and the SEDOL numbers in respect of the Existing Ordinary Shares will continue to remain valid for the New Ordinary Shares.

As a consequence of the Capital Reorganisation, each Shareholder's holding of New Ordinary Shares will immediately following the Capital Reorganisation becoming effective be half of the nominal value of Existing Ordinary Shares held by them on the Record Date. However, each Shareholder's proportionate interest in the Company's issued ordinary share capital will remain unchanged as a result of the Capital Reorganisation. There will be 561,387,586 New Ordinary Shares of £0.01 each and 561,387,586 New Deferred Shares of £0.01.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares.

The New Deferred Shares created will be effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of New Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of New Ordinary Shares have received a payment of £10,000,000 on each such share. The New Deferred Shares will not be listed or traded on AIM and will not be transferable save that upon the death of any holder of the New Deferred Shares such shares will be permitted to be transmitted under the terms of the deceased Shareholder's will provided that the persons to whom they are to be transmitted are a Privileged Relation of the deceased Shareholder. No share certificates will be issued in respect of the New Deferred Shares, nor will CREST accounts of shareholders be credited in respect of any entitlement to New Deferred Shares. It is intended that the New Deferred Shares will be cancelled pursuant to the Share Capital Reduction. There is no requirement for the holders of the Deferred Shares either to receive notice or give their consent to the proposed cancellation of the Deferred Shares.

The New Articles to be adopted pursuant to Resolution 7 set out such rights attaching to the New Deferred Shares. Other than the rights attaching to the New Deferred Shares, the New Articles are in substantially the same form as the Articles. The New Articles are available for inspection on the Company's website from the date of this Notice until the end of the AGM.

Share Capital Reduction

As mentioned above, the Company does not have sufficient distributable reserves to pay dividends or (if the Shareholders give appropriate authority in the future) buy-back Ordinary Shares. The Board therefore proposes that the Share Capital Reduction (in addition to the Share Premium Reduction) be effected in order to increase the distributable reserves of the Company.

It is proposed that the share capital of the Company arising after the Capital Reorganisation of £11,227,751.72 divided into 561,387,586 New Ordinary Shares of £0.01 each and 561,387,586 New Deferred Shares of £0.01 each be reduced to £5,613,875.86 divided into 561,387,586 New Ordinary Shares of £0.01 each, by cancelling the paid-up New Deferred Shares in the sum of £5,613,875.86.

As a result of the Share Capital Reduction, the nominal value of the Company's New Ordinary Shares after completion of the Capital Reorganisation will be reduced from £0.02 to £0.01 each.

Shareholder Approval

The Company is therefore seeking approval of the Shareholders to (i) cancel the Share Premium Account, (ii) approve the Capital Reorganisation (including the adoption of the New Articles) and (iii) undertake the Share Capital Reduction by way of cancellation of the New Deferred Shares (each in the manner set out above), which together will create distributable reserves for the Company of £14,620,074 (after taking into account the Special Reserve) and will, subject to any undertakings required by the Court (as explained below), be sufficient to eliminate the accumulated deficit in the Company's profit and loss account, and enable the Company to pay dividends or (if the Shareholders give appropriate authority in the future) buy-back Ordinary Shares or New Ordinary Shares (as applicable), should circumstances in the future make it desirable to do so.

Court approval

In addition to the approval by the Shareholders of Resolutions 6 and 7, the Capital Reductions require the approval of the Court. Accordingly, following approval of the Capital Reductions by Shareholders, an application will be made to the Court in order to confirm and approve the Capital Reductions.

In seeking the Court's approval of the Capital Reductions, the Court is likely to require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the Capital Reductions. Any such creditor protection may include seeking the consent of the Company's creditors to the Capital Reductions or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company, or not to distribute reserves arising upon the Capital Reductions until such creditors have been discharged.

It is anticipated that the initial directions hearing in relation to the Capital Reductions will take place on 10 July 2020, with the final Court hearing taking place on 31 July 2020 and the Capital Reductions becoming effective on the following day, after the necessary registration of the Court order with the Registrar of Companies has taken place.

Shareholders should note that the Capital Reductions will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The distributable reserves arising from the Capital Reductions will, subject to the terms of any undertakings required by the Court as explained above, enable the Company to pay dividends or (if the Shareholders give appropriate authority in the future) buy-back Ordinary Shares or New Ordinary Shares (as applicable) in the future.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reductions would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole. The Directors have undertaken a review of the Company's liabilities (including contingent liabilities) and consider that the Company will be able to satisfy the Court that, as at the date (if any) on which the Court order relating to the Capital Reductions and the statement of capital in respect of the Capital Reductions have both been registered by the Registrar of Companies at Companies House and the Capital Reductions therefore become effective, the Company's creditors will be sufficiently protected.

Following the Capital Reductions, the Company will continue to meet the statutory requirement of having £50,000 minimum nominal value of issued share capital.

3. Annual General Meeting and Resolutions

Resolutions 1 to 4 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 5 to 7 (inclusive) are proposed as special resolutions. This means that for these resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolutions.

Copies of the annual report and accounts of the Company for the financial year ended 31 December 2019 (the "**2019 Annual Report and Accounts**") are available at www.rurelec.com/investors/reporting-and-presentations.

The business of the AGM will be to receive the Report and Accounts and to conduct the other ordinary business and special business of the Company as set out in the notice.

The Resolutions to be proposed at the AGM are as follows:

Resolution 1: To receive the Company's Annual Report and Accounts

The Directors are required to present the audited accounts, Directors' Report, Strategic Report and Auditor's Report at the meeting. These are contained in 2019 Annual Report and Accounts.

Resolutions 2: Re-election of Director

In accordance with Articles 22.5 and 22.6 of the Articles, Simon Morris shall retire by rotation at the AGM and shall seek reappointment. The biographical details of Mr Morris are set out on page 10 of the 2019 Annual Report and Accounts and are also available for viewing on the Company's website (www.rurelec.com).

Resolution 3: Appointment of Auditors and Auditors Remuneration

In February 2019, Moore Stephens LLP merged with BDO LLP. As part of this process Moore Stephens LLP resigned and BDO LLP were engaged.

Pursuant to Section 489 of the Companies Act 2006, BDO LLP has expressed their willingness to continue in office as auditors of the Group. BDO LLP has agreed to act as the Company's auditor until the conclusion of the next general meeting at which the accounts are laid before the Company.

Resolution 3 proposes the reappointment of BDO LLP as auditors of the Company and gives authority to the board of Directors to determine the auditors' remuneration.

Resolution 4: Authority to Allot Shares

Under the Act, the directors of a company may only allot unissued shares in the capital of the company and grant rights to subscribe for or convert any security into shares in the Company if they are authorised to do so by the shareholders at a general meeting or by the Company's Articles.

Paragraph (a) of this resolution would give the directors the authority to allot shares and grant rights to subscribe for or convert any securities into shares in the capital of the Company up to an aggregate nominal value of £3,705,158.07 prior to the Capital Reorganisation and £1,852,579.03 after giving effect to the Capital Reorganisation (being 185,257,903 Ordinary Shares or 185,257,903 New Ordinary Shares, as the case may be). This represents approximately one third of the nominal value as at the Latest Practicable Date. The Company has proposed resolutions on this basis for a number of years.

In line with guidance issued by the Investment Association, paragraph (b) of this resolution would give the directors the authority to allot shares and grant rights to subscribe for or convert any securities into shares in the capital of the Company solely in connection with a rights issue, to existing shareholders in proportion (as nearly as may be practicable) to their existing holdings, up to an aggregate nominal value of a further £3,705,158.07 prior to the Capital Reorganisation and £1,852,579.03 after giving effect to the Capital Reorganisation (being 185,257,903 Ordinary Shares or 185,257,903 New Ordinary Shares, as the case may be). This amount represents approximately a further one-third of the issued ordinary share capital (excluding treasury shares) of the Company at the Latest Practicable Date. The

Board considers it appropriate to seek this additional allotment at the AGM in order to take advantage of the flexibility it offers.

The authority and power pursuant to Resolution 4 will expire on the later of 15 months from the date Resolution 4 is passed or the conclusion of the Company's next annual general meeting.

The Board will continue to seek to renew these authorities at each annual general meeting in accordance with current best practice. The Board has no present intention to exercise these authorities but considers it desirable that it should have the flexibility to allot shares, or grant rights to subscribe for, or convert any securities into shares, if circumstances arise where it may be advantageous for the Company to do so.

Resolution 5: Disapplication of Pre-emption Rights

Under section 561 of the Act, when new shares are allotted, or treasury shares are sold for cash, they must first be offered to existing shareholders pro rata to their holdings. There may be occasions, however, when the Company's directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares without a fully pre-emptive offer to the Company's existing shareholders.

Under this resolution, it is proposed that the Company's directors be authorised to issue shares for cash and/or sell shares from treasury (if any are so held) without first offering them to existing shareholders in proportion to their existing shareholdings pursuant to the statutory pre-emption rights:

(i) up to a maximum aggregate nominal amount of £561,387.59 prior to the Capital Reorganisation or £280,693.79 after giving effect to the Capital Reorganisation (representing 28,069,379 Ordinary Shares or 28,069,379 New Ordinary Shares, as the case may be). This represents approximately 5 per cent. of the issued Ordinary Share capital (including treasury shares) of the Company as at the Latest Practicable Date (with the Company holding no shares in treasury as at the Latest Practicable Date). This part of the authority is designed to provide the board with flexibility to raise further equity funding and to pursue acquisition opportunities as and when they may arise; or

(ii) in respect of a rights issue, open offer or other offer that generally provides existing shareholders with the opportunity to subscribe for new shares pro rata to their existing holdings. This part of the authority is designed to give the directors flexibility to exclude certain shareholders from such an offer where the directors consider it necessary or desirable to do so in order to avoid legal, regulatory or practical problems that would otherwise arise.

The authority and power pursuant to Resolution 5 will expire on the later of 15 months from the date Resolution 5 is passed or the conclusion of the Company's next annual general meeting.

The directors confirm that it is their intention to follow the best practice set out in the Pre-Emption Group's Statement of Principles which provides that these authorities should not be relied on to allot more than 7.5% of a company's issued share capital on a non-pre-emptive basis in any rolling three-year period without prior consultation with shareholders.

Resolution 6: Share Premium Reduction

Pursuant to Resolution 6, which will be proposed as a special resolution, it is proposed that the total amount standing to the credit of the Share Premium Account of £22,753,689 is cancelled.

Further details in respect of the Share Premium Reduction are set out in paragraph 2 above.

Resolution 7: Capital Reorganisation and Share Capital Reduction

Pursuant to Resolution 7, which will be proposed as a special resolution, it is proposed that the Company undertakes the Capital Reorganisation (including the adoption of the New Articles) and that the resulting New Deferred Shares are cancelled so as to reduce the Company's issued share capital from £11,227,751.72 to £5,613,875.86.

Further details in respect of the Capital Reorganisation and Share Capital Reduction are set out in paragraph 2 above.

4. Recommendation

The Directors believe that Resolutions 1 to 7 contained in the Notice of the Meeting are in the best interest of the Company and its shareholders as a whole and unanimously recommends that shareholders vote in favour of them, as the Directors intend to do in respect of their beneficial shareholdings.

5. COVID-19 Update

Please note that due to the on-going coronavirus (COVID-19) outbreak, and in particular, the current UK Government guidance on social distancing, and prohibiting non-essential travel and public gatherings of more than two people (www.gov.uk/coronavirus) shareholders will not be permitted to attend this year's AGM at this time. The AGM will therefore be a purely functional meeting which is anticipated will be attended solely by one Director and the Company Secretary who will carry out the formal business of the meeting, while still allowing shareholders to exercise their voting rights in accordance with the proxy instructions. One of these individuals will be the chair of the AGM who will act as duly appointed proxy for shareholders and cast their votes in accordance with their instructions. Any other attendees will not be permitted entry to the meeting.

In the circumstances, you are strongly encouraged to vote by proxy which will enable you to participate in the meeting by voting on the resolutions set out in this Notice without attending the meeting in person. All resolutions will be voted on by way of a poll and the voting results will be posted on the Company's website after the meeting (https://www.rurelec.com/investors). Please refer to pages 15 and 16 of this Notice for further instructions on the voting procedure at this year's AGM.

The Board would like to provide opportunity for engagement and challenge by all shareholders in advance of the AGM. An online Q&A for the AGM section is available on our website https://www.rurelec.com/investors/circulars where shareholders will be able to submit questions related to the business of the AGM up to the deadline for proxy voting and where appropriate the answers to those questions will be posted after the AGM by way of an update announcement.

If the Board believes that it becomes necessary or appropriate to make alternative arrangements for the holding of the AGM due to COVID-19, we will ensure that shareholders are given as much notice as possible. Further information will be made available through an RNS announcement to the London Stock Exchange and through an upload to the Company's website.

6. Action to be taken

If you would like to vote on the resolutions but will not be attending the AGM, you may appoint a proxy electronically via www.signalshares.com by following the instructions or, if you hold your shares in CREST, you can appoint a proxy via the CREST system. A form is not being provided this year, you may request a hard copy form from the Registrars at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or 0371 664 0391. Notice of your appointment of a proxy should reach the Company's Registrar, Link Asset Services, in any event not later than 11.00 am on 26 June 2020. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy.

Yours sincerely,

Brian Rowbotham

Non-Executive Director

RURELEC PLC (the "Company")

(Company No. 4812855)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 5 St. John's Lane, London, England, EC1M 4BH at 11.00 a.m. on 30 June 2020 for the purpose of considering and, if thought fit, approving the following resolutions, of which resolutions 1 to 4 (inclusive) will be proposed as ordinary resolutions and resolutions 5 to 7 (inclusive) will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive and consider the Company's audited accounts for the financial year ended 31 December 2019 together with the Directors' Report, the Strategic Report and the Auditor's Report thereon. The audited financial statements are available for view on the Company's website https://www.rurelec.com/investors/reporting-and-presentations;

2. To re-elect Simon Morris as a director, who retires by rotation in accordance with the Company's articles of association;

3. To appoint BDO LLP as the Company's auditors to act as such until the conclusion of the next General Meeting at which the accounts are laid before the Company in accordance with section 437(1) of the Act and to authorise the Directors of the Company to fix their remuneration;

4. THAT the Directors of the Company be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (the "**Rights**"):

   (a) up to an aggregate nominal amount of £3,705,158.07 prior to the Capital Reorganisation and £1,852,579.03 after giving effect to the Capital Reorganisation; and

   (b) up to a further aggregate nominal amount of £3,705,158.07 prior to the Capital Reorganisation and £1,852,579.03 after giving effect to the Capital Reorganisation in connection with an offer of equity securities (as defined in section 560(1) of the Act) by a way of right issues to:

      (i) the holders of the Ordinary Shares or New Ordinary Shares (as applicable) in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings (excluding any shares held by the Company as treasury shares); and

      (ii) the holders of other equity securities in the Company if this is required by the rights of those securities or, if the Company's directors consider it necessary, as permitted by the rights of those securities,

   but subject to such exclusions and other arrangements as the Company's directors may consider necessary or appropriate in respect of any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange.

   Such authority shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on the date falling 15 months from the date of the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares or grant rights in pursuance of such an offer or agreement as if this authority had not expired and all previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.

SPECIAL RESOLUTIONS

5. THAT, subject to the passing of resolution 4, the Directors be and they are hereby empowered to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority given by resolution 4 and/or where the sale of treasury shares is treated as an allotment of equity securities under section 560(2)(b) of the Act, in either case as if section 561(1) of the Act did not apply to such allotment provided that such power shall be limited:

   (a) to the allotment of equity securities in connection with an issue or offer of equity securities (but in the case of the authority granted under paragraph (b) of resolution 4, by way of a rights issue only):

      (i) to the holders of the Ordinary Shares or New Ordinary Shares (as applicable) in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares (excluding any shares held by the Company as treasury shares);

      (ii) to holders of other equity securities in the Company as required by the rights of those securities or as the directors otherwise consider necessary,

      and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate in respect of any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange; and

   (b) in the case of the authority granted under paragraph (a) of resolution 4 and/or in the case of any sale of treasury shares which is treated as an allotment of equity securities under section 560(2)(b) of the Act, to the allotment otherwise than pursuant to paragraph (a) above, of equity securities up to an aggregate nominal value equal to £561,387.59 prior to the Capital Reorganisation or £280,693.79 after giving effect to the Capital Reorganisation,

   provided that such power shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on the date falling 15 months from the date of the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

6. THAT, subject to the confirmation of the court, the share premium account of the Company be reduced by £22,753,689 (from £22,753,689 to £nil) and the amount by which the share premium account is so reduced be credited to a reserve.

7. THAT:

   (a) in respect of each holding of ordinary shares of £0.02 each in the capital of the Company (**Ordinary Shares**) at the close of business on 30 June 2020, (i) each and every Ordinary Share be and is subdivided into (A) one ordinary share of £0.01 (**New Ordinary Share**), each such New Ordinary Share having the same rights and being subject to the same restrictions as the Ordinary Shares and (B) one deferred share of £0.01 (**New Deferred Share**), each such New Deferred Share having the rights and being subject to the restrictions set out in the articles of association of the Company to be adopted pursuant to paragraph (b) of this Resolution,

   (b) with effect from the conclusion of the meeting the draft articles of association produced to the meeting and, for the purposes of identification, initialled by the Chairman be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association; and

(c) subject to the confirmation of the court, the issued share capital of the Company be reduced from £11,227,751.72 to £5,613,875.86 by cancelling and extinguishing 561,387,586 of the issued New Deferred Shares of £0.01 each in the Company, each of which is fully paid up, and the amount by which the share capital is so reduced be credited to a reserve.

BY ORDER OF THE BOARD

Maria J. Bravo Quiterio
Company Secretary

1 June 2020

RURELEC PLC
Registered Office: 5 St. John's Lane, London, EC1M 4BH

IMPORTANT NOTES:

The following notes explain your general rights as a shareholder and your right to attend and vote at this AGM or to appoint someone else to vote on your behalf.

Please note that due to the on-going coronavirus (COVID-19) outbreak, and in particular, the current UK Government guidance on social distancing, and prohibiting non-essential travel and public gatherings of more than two people (www.gov.uk/coronavirus) shareholders will not be permitted to attend this year's AGM at this time. The AGM will therefore be a purely functional meeting which is anticipated will be attended solely by one Director and the Company Secretary who will carry out the formal business of the meeting, while still allowing shareholders to exercise their voting rights in accordance with the proxy instructions. One of these individuals will be the chair of the AGM who will act as duly appointed proxy for shareholders and cast their votes in accordance with their instructions. As mentioned overleaf, any other attendees will not be permitted entry to the meeting.

In the circumstances, you are strongly encouraged to vote by proxy which will enable you to participate in the meeting by voting on the resolutions set out in this Notice without attending the meeting in person. All resolutions will be voted on by way of a poll and the voting results will be posted on the Company's website after the meeting (https://www.rurelec.com/investors). Any reference in these notes to 'a right to attend' will be qualified by and subject to guidelines issued by the UK Government in response to coronavirus (COVID-19).

1. The right to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), will be determined by reference to the Company's Register of Members of the Company at close of business on 26 June 2020 (or, in the event of any adjournment, close of business on the date which is 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. However, due to the on-going coronavirus (COVID-19) outbreak, and in particular, the current UK Government guidance on social distancing and prohibiting non-essential travel and public gatherings, no other attendees (apart from the chair of the AGM and the Company Secretary) will be permitted entry to the meeting.

2. A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to exercise all or any of its rights to attend and to speak and vote in that member's behalf at the meeting. A proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share. A form of proxy which may be used to make such appointment and give proxy instructions can be requested from Link Asset Services on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Asset Services is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales, and calls may be recorded and randomly monitored for security and training purposes.

3. In the case of joint holders, where more than one of the joint holders purport 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 name being the most senior).

4. 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 to abstain from voting at his/her discretion. Your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put to the AGM.

5. To be valid, any form or proxy or other instrument appointing a proxy must be received either electronically at www.signalshares.com, or by post (during normal business hours only) or by hand at the Company's Registrar, or in the case of shares held through CREST, via the CREST system, (see note 7 below). As an alternative you can appoint a proxy. In each case for proxy appointments to be valid, they must be received by no later than 11.00 am on 26 June 2020. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence.

You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged. Please follow the instructions to register at www.signalshares.com. You will need your investor code (IVC) to register.

6. The submission of a form of proxy, other such instrument or any CREST Proxy Instruction (as described in note 8 below) will not preclude a member from attending and voting at the meeting in person should the situation and the applicable restrictions change such that you are permitted to, and you subsequently wish to do so.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, to be valid, be transmitted so as to be received by Link Asset Services (participating ID RA10) by the latest time for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors, or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares. A resolution of the directors, or other governing body, of the corporation will be required in order to evidence the valid appointment of the corporate representative, in accordance with section 323 of the Act.

    If any corporation appoint corporate representatives other than the Chair of the AGM, they will not be permitted to attend the AGM in person.

11. As at 29 May 2020 (being the Latest Practicable Date), the Company's issued share capital consists of 561,387,586 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 29 May 2020 are 561,387,586. Immediately following the Capital Reorganisation becoming effective, the Company's issued share capital will consist of 561,387,586 New Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company immediately following the Capital Reorganisation taking effect will remain unchanged.

12. Except as provided above, members who have general queries about the Annual General Meeting should call Link Asset Services' shareholder helpline on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Asset Services is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales, and calls may be recorded and randomly monitored for security and training purposes.

13. Members may not use any electronic address (within the meaning of section 333(4) of the Act) provided either in this notice of meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.

14. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

15. As a shareholder you have the right to ask questions at the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. **Given that the current Government's restrictions prohibit attendance at the AGM, please see the Non-Executive Director's letter for information as to how shareholder questions should be prepared and how these will be answered.**

A copy of this Notice, and other information required by Section 311A of the Act, can be found on the Company's website at www.rurelec.com.