

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** When considering what action you should take, you are recommended immediately to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

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## **RENEWABLE POWER & LIGHT PLC**

(Registered in England No. 5817450)

*Directors:*

Michael G. Reynolds (Chairman)  
Victor J. Fryling (President and Chief Executive Officer)  
Timothy P. Hunstad (Vice-President and Chief Financial Officer)  
Alexander S. Lambie (Non-executive)

*Registered Office:*

9 Queen Street  
London  
W1J 5PE  
United Kingdom

*To the holders of Ordinary Shares*

### **Notice of General Meeting**

Dear Shareholder

**Disposal of RPL Holdings Inc.  
Transactions with True North Power Group LLC  
Service Agreement with Carron Energy Limited**

The Company recently announced that it proposed to enter into a sale and purchase agreement (the "**True North SPA**") with True North Power Group LLC ("**True North**") pursuant to which the Company would agree, subject to certain conditions, to sell the entire issued share capital of its US subsidiary RPL Holdings Inc ("**RPL Holdings**") to True North (the "**RPL Holdings Disposal**") for cash consideration of US\$1. It is also proposed that the Company will enter into a service agreement with True North (the "**True North Service Agreement**") with effect from closing of the RPL Holdings Disposal (the RPL Disposal and the True North Service Agreement together, the "**True North Transaction**").

It is also proposed that the Company will enter into a service agreement with Carron Energy Limited ("**Carron**") with effect from the closing of the True North Transaction (the "**Carron Service Agreement**").

The True North Transaction and the Carron Service Agreement are being pursued as part of the Company's Investing Policy as approved by Shareholders on 19 August 2009.

In accordance with AIM Rule 15, the Company must implement its Investing Policy by 19 August 2010 (being 12 months from the date of shareholder approval of the Investing Policy), otherwise trading in the Company's Ordinary Shares on AIM will be suspended in accordance with AIM Rule 40. If, following suspension of the Ordinary Shares in accordance with AIM Rule 40, the Ordinary Shares have not been re-admitted to trading on AIM within a further six months, the admission of the Ordinary Shares to trading on AIM will be cancelled.

### **Shareholder and Regulatory Approvals**

As the Company is proposing to sell a substantial non-cash asset, i.e. the shares of RPL Holdings, to True North, a company managed and controlled by Timothy Hunstad, a current director of the Company, and Donald Verbick, a former director of the Company, the RPL Holdings Disposal would constitute a substantial property transaction for the purposes of section 190 of the Companies Act 2006 and is therefore conditional upon approval of the Company's shareholders.

Shareholder approval of the True North Transaction is also required for the purpose of compliance with Rules 16 and 21.1 of the City Code on Takeovers and Mergers (the "**Takeover Code**") and shareholder approval of the Carron Service Agreement is required for the purpose of compliance with Rule 16 of the Takeover Code.

In addition, as True North is a related party of the Company as mentioned above, and Carron is a company managed and controlled by Alexander Lambie, a current director of the Company, the True North Transaction and the Carron Service Agreement are related party transactions for the purposes of Rule 13 of the AIM Rules for Companies. Michael Reynolds and Victor Fryling, the independent directors of the Company for the purpose of the True North Transaction and Carron Service Agreement (the "**Independent Directors**") having consulted with Grant Thornton Corporate Finance consider that the terms of the True North Transaction and Carron Service Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

The purpose of this circular is to seek shareholder approval for (i) the True North Transaction, both generally and specifically for the purpose of compliance with Rules 16 and 21.1 of the Takeover Code and section 190 of the Companies Act 2006, and (ii) the Carron Service Agreement for the purpose of compliance with Rule 16 of the Takeover Code, at a general meeting ("**GM**") to be convened for 10.00 a.m. on 15 February 2010. Notice of the GM is set out at the end of this circular.

### **Preliminary Approach Update and Takeover Code Approvals**

Further to the announcements made on 21 November 2008, 19 December 2008 and subsequently, the Board reconfirms that there remains one approach from a potential offeror for the Company. The Board has sought to ascertain details of any bid from the potential offeror, but the potential offeror has not been forthcoming with any such details as at the date of this Circular and there can be no certainty that any such bid will be forthcoming.

Rule 21.1 of the Takeover Code provides that during the course of an offer, or even before the date of the offer if the Board has reason to believe that a bona fide offer might be imminent, the Board must not without shareholder approval take any action which may result in any offer or bona fide possible offer being frustrated or in shareholders being denied the

opportunity to decide on its merits, including among other things, the sale of assets of a material amount. As it is possible that the Board's strategy to proceed with the True North Transaction could potentially frustrate any potential offer or make it less likely that a fully-financed proposal to acquire the Company would be received, the Company is required to seek shareholder approval of the True North Transaction by way of an ordinary resolution at the GM for the purposes of compliance with Rule 21.1 of the Takeover Code.

Rule 16 of the Takeover Code prohibits certain arrangements made with persons who hold shares or rights over shares in the offeree company with favourable conditions attached during an offer period or when one is reasonably in contemplation, which are not being, or are not capable of being, extended to all shareholders, unless the consent of the Takeover Panel is first obtained. As True North is controlled by Donald Verbick, who personally holds 1,790,100 Ordinary Shares as well as options over 1,630,000 Ordinary Shares in the Company and Timothy Hunstad, who personally holds 15,000 Ordinary Shares and options over 1,550,000 Ordinary Shares in the Company, and Carron Energy is controlled by Alexander Lambie who personally holds 193,175 Ordinary Shares as well as options over 570,000 Ordinary Shares in the Company, the Takeover Panel have indicated that they will consent to the True North Transaction and the Carron Service Agreement provided that shareholder approval is obtained in general meeting where the vote is a vote of independent shareholders and must be taken on a poll, and an opinion from the Company's nominated adviser, Grant Thornton Corporate Finance is obtained that the terms of the transactions are fair and reasonable. For the avoidance of doubt, independent shareholders shall exclude Timothy Hunstad, Donald Verbick, Alexander Lambie and any person acting in concert with these individuals.

The Board will continue to evaluate the merits of any potential offer for the Company or any transaction which would constitute a reverse take-over (as defined by the AIM Rules for Companies). Should the Board receive a fully-financed proposal to acquire the Company, before the GM, the Independent Directors will consider the merits of such a proposal, in the light of the proposed True North Transaction, taking account of the advice received from the Company's independent financial adviser.

### **Background to and reasons for the True North Transaction**

The Board of the Company continues to move forward to execute an orderly realisation of the net asset value of its remaining business consistent with its Investing Policy. The Board intends to perform this task in the shortest possible time and at the least possible cost.

The Company currently has a wholly-owned US subsidiary called RPL Holdings Inc. ("**RPL Holdings**"), which in turn has one subsidiary, Power City Generating Inc. The Board has been advised that to wind up the US business by normal shut-down procedures will take 18 to 24 months and would incur legal and administrative costs of approximately US\$250,000 to US\$400,000. During this period the US Courts would likely require the Company to maintain cash in RPL Holdings totalling more than US\$1.5 million in the event that unknown claims might become known. That cash amount is in addition to approximately US\$1,513,000 of identified liabilities related to RPL Holdings' office lease in Minnesota, employee severance, taxes and other identified contract liabilities and administrative costs.

By selling RPL Holdings to a company controlled by current management of RPL Holdings, the Board has identified a more cost and time efficient strategy to dispose of the US business. This should allow cash to be distributed to shareholders at an earlier date than would be

available with an alternative strategy and thus avoid unnecessary administrative costs on the Company.

The terms of the True North SPA provide for cash to remain in the sold business to pay identified liabilities of RPL Holdings. A reconciliation of the actual costs compared against the projected expenses schedule will take place 60 days after the closing of the True North Transaction, to determine amount of cash to be paid by one party to the other to keep both parties whole. In addition, RPL Holdings has \$600,000 of deposits outstanding, related to its rail car lease. The True North SPA requires True North to cause RPL Holdings to forward to the Company all funds received related to these deposits, when they are received. True North, via its acquisition of RPL Holdings, will receive the benefit of the Minnesota office lease which runs until March 2014 as well as certain used office equipment and furniture located in that office.

A summary of the principal terms of the True North SPA are set out below under the heading "Principal Terms of True North Transaction".

The Board believes the net benefits of the True North Transaction, if approved, would be to save shareholders more than US\$100,000 of legal and administrative costs and to reconcile liabilities 12 to 18 months sooner than the alternative strategy to unwind the business. An additional benefit of the RPL Holdings Disposal will be to have access to the US\$600,000 of railcar deposits 12 to 18 months sooner, so that the funds are available for distribution to shareholders.

As Timothy Hunstad will be resigning as a director and CFO of the Company with effect from closing of the RPL Holdings Disposal, it is proposed that the ongoing services required by the Company for RPL Holdings in terms of year end financial reporting, tax filing preparation and other administrative services be performed on an ad hoc basis as needed pursuant to the True North Service Agreement (where Mr Hunstad's knowledge of the business will be critical). Those services required for ongoing financial reporting and administrative services for the Company will be performed under the Carron Service Agreement.

## **Principal Terms of the True North Transaction**

### *True North SPA*

Pursuant to the terms of the True North SPA, the Company agrees to sell to True North, subject to approval of the Company's shareholders and other conditions set out the True North SPA all of the outstanding capital stock of RPL Holdings (the "**Stock**"). The consideration for the Stock will be US\$1.00.

There are a number of conditions to closing, including the following:

- no litigation or other action shall have been instituted or threatened by any government authority or other person whatsoever which shall seek to impair, restrain, prohibit or invalidate the closing;
- no material adverse effect shall have occurred relating to the Stock, RPL Holdings or Power City Generating, Inc. and True North shall not have received new information concerning the business, prospects or financial condition of RPL Holdings which is adverse in the sole determination of True North;

- True North shall be satisfied that on the date of closing RPL Holdings has sufficient assets to cover, pay for and otherwise discharge the anticipated disbursements of RPL Holdings as at the closing date those liabilities are estimated to be approximately US\$1,513,000;
- the Company's Independent Directors consider, having consulted its nominated adviser that the terms of the True North SPA are fair and reasonable insofar as the Company's shareholders are concerned in accordance with Rule 13 of the AIM Rules for Companies;
- obtaining the consent of the shareholders of the Company for the sale of RPL Holdings at the general meeting convened by the notice accompanying this circular; and
- obtaining the consent of the Takeover Panel for the sale of RPL Holdings.

Assuming that shareholder approval of the RPL Holdings Disposal in accordance with the terms of the True North SPA is obtained at the GM, it is anticipated that the other conditions will be satisfied, and closing is anticipated to occur, within 72 hours of the GM.

The Company provides limited representations and warranties as to, amongst other things, authority, ownership, authorisation to enter into the transaction. True North provides customary representations and warranties as to authority and authorisation to enter into the transaction and covenants to discharge the indemnified liabilities of RPL Holdings with the cash remaining in RPL Holdings at closing. The Company's and True North's aggregate liability under the warranties is not limited in value but any claims must be brought within 60 days of the closing date.

The Company has provided indemnities to True North and certain parties related to True North which, among other things, include indemnification for losses arising out of or in connection with any material breach of any representation or warranty made by the Company in the True North SPA. In addition, the Company has provided an indemnity covering any third party claims made against RPL Holdings that arise prior to the date on which the transaction closes and which are made within 90 days after the date on which the transaction closes.

The True North SPA also provides that 60 days after the closing date, there shall be a final accounting at which time there will be a reconciliation of the liabilities under the True North SPA at closing against the invoices then received. There is provision for payment to be made between the parties to take account of any surplus or shortfall when the actual costs are reconciled with the liabilities anticipated in the True North SPA as at the date that the transaction closes.

It is acknowledged that RPL Holdings has placed a number of deposits, still outstanding with third parties, amounting to approximately US\$600,000. It has been agreed that the deposits will be returned directly to the Company or to the extent that they are returned to True North, True North shall promptly pay such amounts to the Company.

The True North SPA is expressed to be governed by and construed in accordance with the laws of the State of Minnesota.

### True North Service Agreement

The True North Service Agreement is to be entered into at closing of the True North SPA, and provides for True North to perform certain services, if requested, in respect primarily of the Company's presence in the United States by virtue of its ownership of RPL Holdings, including, amongst other things, the following:

- administration of closing of the Company's financial books and tax filing preparation for 2009 (and 2010 if necessary);
- accounting services including paying invoices, monthly financial statements of the Company, and others, relating to pre-closing operations; and
- audit administration, audit preparation, fieldwork, communication with auditors, post-fieldwork to completion of financial statements, related to pre-closing business.

The work, fees, reimbursable expenses, payment terms and personnel of True North assigned to provide the services are in each case to be agreed in advance between the Company and True North.

The True North Service Agreement is expressed to be governed by and construed in accordance with the laws of the State of Minnesota.

### **Principal Terms of the Carron Service Agreement**

Pursuant to the terms of the Carron Services Agreement, the Company has agreed to engage Carron to undertake certain services in respect of the Company's management and administration, including, among other things, the following services:

- provision of monthly management accounts;
- provision of monthly board packs;
- management of external auditors and attendant reporting to the board; and
- assistance with preparation of Half Year and Year End accounts.

A fixed charge of £3,500 is to be paid to Carron each month for the services. Where additional services are required which are not specified in the Carron Service Agreement, there is provision for additional charges to be made, such additional charges to be agreed between the parties in writing.

The Carron Service Agreement provides that in the ordinary course either party may give one month's prior written notice of termination, save in certain events, including breach of the agreement, where the agreement can be immediately terminated.

The Carron Service Agreement is expressed to be governed by and construed in accordance with the law of England. The English courts are expressed to have exclusive jurisdiction over any disputes or claims.

## **AIM Related Party**

For the purpose of AIM Rule 13, the Independent Directors of the Company have considered the terms of each of the True North SPA, the True North Service Agreement and the Carron Service Agreement and having consulted with Grant Thornton Corporate Finance, its nominated adviser, consider that the terms of each of the agreements to be fair and reasonable as far as the Company's shareholders are concerned.

## **Takeover Code Rule 16 Opinion**

The Independent Directors, who have been so advised by Grant Thornton Corporate Finance, believe that the terms of the True North Transaction and the Carron Service Agreement are fair and reasonable. In providing advice to the Independent Directors, Grant Thornton Corporate Finance has taken into account the Independent Directors' commercial assessments.

## **Resolutions**

You will find set out at the end of this document a notice convening the GM to be held at 10.00 am on 15 February 2010 at 9 Queen Street, London, W1J 5PE. Each of the resolutions shall be proposed as an ordinary resolution at the GM (the "**Resolutions**"):

1. **THAT**, subject to the passing of Resolutions 2, 3 and 4 below, the True North Transaction be and is hereby approved and that the Independent Directors of the Company be and are hereby authorised to complete the True North Transaction and any other agreement or deed for which the True North Transaction provides and to make any non-material amendment, variation, waiver or extension to the terms or conditions of the True North Transaction which the Independent Directors of the Company consider reasonable and in the best interests of the Company and its Shareholders to do all such other things as they consider necessary, expedient or desirable in connection with or to facilitate the True North Transaction.
2. **THAT** the True North Transaction be and is hereby approved for the purpose of compliance with Rule 16 of the Takeover Code.
3. **THAT** the True North Transaction be and is hereby approved for the purpose of compliance with Rule 21.1 of the Takeover Code.
4. **THAT** the True North Transaction be and is hereby approved for the purpose of section 190 of the Companies Act 2006.
5. **THAT** the Company entering into the Carron Service Agreement be and is hereby approved for the purpose of compliance with Rule 16 of the Takeover Code.

**The Independent Directors unanimously recommend that you vote IN FAVOUR of the Resolutions.**

## **How to Vote on the Resolutions**

Shareholders are requested to complete and return the enclosed Form of Proxy for use at the GM in accordance with the instructions printed thereon so as to arrive at the address printed thereon as soon as possible and in any event not later than 10.00 am, on 11 February 2010.

Completion of a Form of Proxy will not prevent you from attending the GM and voting in person should you so wish.

The vote on each of the resolutions above will be taken on a poll of independent shareholders. For the avoidance of doubt, independent shareholders shall exclude Timothy Hunstad, Donald Verbick and Alexander Lambie and any persons acting in concert with these individuals. If you wish to attend the meeting, please remember to bring with you to the meeting your poll card, which is the tear off section above the form of proxy, in order that you may use this to vote at the meeting. Blank poll cards will also be available at the meeting.

### **Recommendation**

**The Independent Directors unanimously recommend that you vote IN FAVOUR of the Resolutions. Each of the Independent Directors intends to vote IN FAVOUR of the Resolutions in respect of his own beneficial holding in the Company amounting to, in aggregate 300,000 Ordinary Shares, representing approximately 0.3% of the current issued Ordinary Share capital of the Company.**

**Your vote IN FAVOUR of the Resolutions is important to ensure that the Independent Directors have the opportunity to explore all possible strategies to create and deliver value for all of its shareholders.**

Thank you for your continued support and confidence.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael G Reynolds', with a long horizontal flourish extending to the right.

**Michael G Reynolds**  
Chairman

Note:

This document contains certain forward-looking statements. These statements relate to future events or future performance and reflect the Board's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect the Board's current beliefs, are based on information currently available to the Board and are based on reasonable assumptions as of this date. No assurance, however, can be given that the expectations will be achieved. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. While the Board makes these forward-looking statements in good faith, neither the Company, nor its Board, can guarantee that the anticipated future results will be achieved.

**NOTICE OF GENERAL MEETING**  
**RENEWABLE POWER & LIGHT PLC**

Notice is hereby given that a General Meeting of Renewable Power & Light plc will be held at 9 Queen Street, London, W1J 5PE at 10.00 am on 15 February 2010 for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

**ORDINARY RESOLUTIONS**

1. **THAT**, subject to the passing of Resolutions 2, 3 and 4 below, the disposal by the Company of the entire issued share capital of RPL Holdings Inc. to True North Power Group LLC ("**True North**") on the terms and subject to the conditions of the sale and purchase agreement and the entry into a service agreement with True North (together, the "**True North Transaction**") each as more particularly described in the circular sent to shareholders of the Company (the "**Shareholders**") dated 27 January 2010 (the "**Circular**") be and is hereby approved and that the independent directors of the Company be and are hereby authorised to complete the True North Transaction and any other agreement or deed for which the True North Transaction provides and to make any non-material amendment, variation, waiver or extension to the terms or conditions of the True North Transaction which the independent directors of the Company consider reasonable and in the best interests of the Company and its shareholders to do all such other things as they consider necessary, expedient or desirable in connection with or to facilitate the True North Transaction.
2. **THAT** the True North Transaction referred to in Resolution 1 above be and is hereby approved for the purpose of compliance with Rule 16 of the Takeover Code.
3. **THAT** the True North Transaction referred to in Resolution 1 above be and is hereby approved for the purpose of compliance with Rule 21.1 of the Takeover Code.
4. **THAT** the True North Transaction referred to in Resolution 1 above be and is hereby approved for the purpose of section 190 of the Companies Act 2006.
5. **THAT** the Company entering into a service agreement with Carron Energy Limited as more particularly described in the Circular be and is hereby approved for the purpose of compliance with Rule 16 of the Takeover Code.

By order of the Board  
Michael G Reynolds  
Chairman

27 January 2010

Registered Office:  
9 Queen Street  
London W1J 5PE  
United Kingdom

## NOTES TO THE NOTICE OF GM

1. A member entitled to attend, speak and vote at the Meeting may appoint a proxy to attend, speak and vote in his place. The proxy need not be a member of the Company.
2. Voting on each of the resolutions will be by means of a poll by independent shareholders. If you wish to attend the meeting, please remember to bring with you to the meeting your poll card, which is the tear off section above the form of proxy, in order that you may use this to vote at the meeting. Blank poll cards will also be available at the meeting.
3. A form of proxy is enclosed with this notice. The instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or an original duly certified copy of such a power) must be deposited with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY, United Kingdom, not less than 48 hours before the time of the Meeting or adjourned Meeting as the case may be, excluding for this purpose Saturdays, Sundays and UK statutory holidays. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on 11 February 2010, the day which is two days before the day of the meeting, excluding for this purpose Saturdays, Sundays and UK statutory holidays. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.