

# **PLUTUS POWERGEN PLC**

**PROPOSED RESOLUTIONS TO REMOVE THE  
COMPANY'S EXISTING DIRECTORS AND  
TO APPOINT ALTERNATIVE DIRECTORS**

**Your Board UNANIMOUSLY recommends that you**

**VOTE AGAINST  
the Requisitioners' Resolutions**

**YOUR VOTE IS IMPORTANT**

**Please lodge your Form of Proxy**

**NO LATER THAN**

**12.00 noon on 8 January 2020**

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**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 are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser in the relevant jurisdiction.**

If you sell, have sold or otherwise transferred all your Ordinary Shares you should send this document, and the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and/or the Form of Proxy into certain jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. If you sell or have sold or transferred only part of your holding of Ordinary Shares you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.



## **PLUTUS POWERGEN PLC**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 05859612)*

### **Notice of General Meeting**

**in relation to proposed resolutions to  
remove all the existing directors and to appoint alternative directors as proposed by two shareholders**

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**Your attention is drawn to the letter from the Chairman of Plutus PowerGen plc (“Plutus” or the “Company”) on page 6 of this document which contains the unanimous recommendation of your Board that you vote against each of the resolutions proposed by the two shareholders (the “Requisitioners’ Resolutions”) at the General Meeting and the reasons for such recommendation.**

Notice of the General Meeting to be held at 12.00 noon on 10 January 2020 at the offices of DMH Stallard LLP, 6 New Street Square, New Fetter Lane, London EC4A 3BF is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company’s registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, as soon as possible, and in any event, no later than 12.00 noon on 8 January 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). A form of proxy for use by members at the General Meeting accompanies this notice. **Voting at the General Meeting will be by poll and not on a show of hands and each Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Ordinary Share held.**

If you have any questions relating to this document, the General Meeting and/or the completion and return of the Form of Proxy, please telephone the Company’s registrars Share Registrars Limited on 01252 821390 if calling within the United Kingdom or +44 1252 821390 if calling from outside the United Kingdom. Lines are open 9:00am – 5:30pm Mon–Fri. Calls to the helpline from within the United Kingdom are charged at your network providers standard rates. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Please note that Share Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you wish to do so and are so entitled.

Allenby Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint broker to the Company and for no one else in connection with the matters described in this document and accordingly will not be responsible to any person other than Company for providing the protections afforded to customers of Allenby Capital Limited, or for providing advice in relation to such matters. Allenby Capital Limited’s responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any director of the Company (existing or proposed) or to any other person.

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## EXPECTED TIMETABLE OF EVENTS

| <b>Event</b>   | <b>Time and date</b>  |
|--|---|
| Latest time and date for receipt of Forms of Proxy from Shareholders | 12.00 noon on 8 January 2020  |
| Voting record time for the General Meeting                           | 6 p.m. on 8 January 2020  |
| Time, date and location of the General Meeting                       | 12.00 noon on 10 January 2020<br>at DMH Stallard LLP<br>6 New Street Square<br>New Fetter Lane<br>London EC4A 3BF |

*All references to time in this document (including the Notice of the General Meeting) and the accompanying Form of Proxy are to local time in London.*

## SUMMARY OF THE BOARD'S REASONS FOR ITS RECOMMENDATION

### **The Board of Plutus PowerGen UNANIMOUSLY recommends that Shareholders VOTE AGAINST all the Requisitioners' Resolutions at the General Meeting**

On 21 November 2019, your Board announced that it had received a notice from JIM Nominees Limited requiring the Company to convene a general meeting to consider proposed resolutions to remove the Existing Directors from the Board and to replace them with Nicholas Lee, David Horner and Dr. Nigel Burton.

The Board unanimously and wholeheartedly recommends that you continue to back the Existing Directors, as passing the proposed Requisitioners' Resolutions could:

- place your company in the hands of directors with limited experience of the business and a poor track record managing quoted companies;
- lead to the appointment of a director who has already caused significant damage to the company, for which the Company is expected to shortly commence legal action;
- remove the directors with the experience of managing the Company; and
- put at risk the AIM quotation.

#### **WHY YOU SHOULD VOTE AGAINST THE REQUISITIONERS' PROPOSALS:**

- **The Requisitioners have provided minimal information and detail in relation to their strategy for the Company. Following past meetings with certain of the proposed Alternative Directors, the Existing Directors have seen no evidence that the proposed Alternative Directors have a credible or materially different strategy or an in depth understanding of the Company and flexible energy generation sector in general.**
- **The Requisitioners' actions have caused unnecessary disruption and uncertainty for the Company's business and its discussions with potential investors at a critical time and have caused the Company to incur expense at a time when the Company's working capital position is highly constrained and when the Board needs to focus on the future strategy of the Group including the possible sale of the Company's FlexGen sites and the pipeline of new gas projects.**
- **Replacing all the Existing Directors at this important time is wholly unnecessary and there is limited evidence that the candidates proposed by the Requisitioners would add new value to the Board of the Company as it currently stands.**
- **The Requisition process thus far has already caused concern among key stakeholders involved in the Company's FlexGen sites and discussions on the funding for the pipeline of gas sites, the support of whom is vital to a successful outcome for the Company and for Shareholders.**
- **The Existing Directors cannot provide any guarantees that the Requisitioners' Resolutions, if passed, will not pose a risk to the continued admission of the Company's Ordinary Shares to trading on AIM due to the suitability of the Alternative Directors and the new Board for the purposes of the AIM Rules, although at this time there is no evidence that the Alternative Directors will be unsuitable to be Directors of a company with its shares traded on AIM.**

Further details regarding the above points can be found in the Chairman's letter starting on page 6 of this document.

### **HOW TO VOTE AGAINST THE REQUISITIONERS' PROPOSALS:**

- Complete the Form of Proxy for use at the General Meeting which is enclosed with this document.
- Whether or not you intend to be present at the General Meeting, you should complete and sign the Form of Proxy in accordance with the instructions printed on it.
- Please return the Form of Proxy so as to be received by Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR (or by facsimile transmission to 01252 719232 or email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com)) as soon as possible and, in any event, no later than 12.00 noon on 8 January 2020.
- Shareholders wishing to complete their paper Form of Proxy in line with the Board's recommendation should place an "X" in the boxes under the heading "Against" for the Requisitioners' Resolutions (1-6).
- The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting if you wish to and are so entitled.

## LETTER FROM THE CHAIRMAN



### PLUTUS POWERGEN PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 05859612)*

#### **Directors:**

Charles Tatnall, Executive Chairman  
James Longley, Interim Chief Executive and  
Chief Financial Officer  
Tim Cottier, Non-Executive Director

#### **Registered Office:**

27/28 Eastcastle Street  
London  
W1W 8DH

12 December 2019

Dear Shareholders,

#### **INTRODUCTION**

On 13 November 2019, your Board announced that it had received a notice from JIM Nominees Limited ("JIM") purporting to require the Company to convene a general meeting to consider certain resolutions to remove all the Existing Directors from the Board and appoint each of Nicholas Lee, David Horner and Dr. Nigel Burton as directors of the Company. As announced on 13 November 2019, this purported requisition was deemed invalid. JIM is a holder of in excess of 5% of the Company's issued share capital.

On 21 November 2019, your Board announced that it had received a further notice from JIM, purporting to require the Company to convene a general meeting to consider certain proposed resolutions to remove all the Existing Directors from the Board and appoint each of Nicholas Lee, David Horner and Dr. Nigel Burton as directors of the Company. After consultation with its legal advisers, the Company determined that this second requisition notice was valid. Accordingly, I am now writing to Shareholders to convene the General Meeting to propose the Requisitioners' Resolutions (1 to 6).

The Existing Directors believe this is a blatant opportunistic attempt by the Requisitioners to gain control of the company for their own benefit and not for the benefit of the shareholders of Plutus.

**The purpose of this document is to explain why your Board unanimously recommends that you VOTE AGAINST the Requisitioners' Resolutions**

This document contains the notice of the General Meeting, which is to be held at 12.00 noon on 10 January 2020 at DMH Stallard LLP, 6 New Street Square, New Fetter Lane, London EC4A 3BF, at which the Requisitioners' Resolutions (1 to 6) will be considered.

**This document should be read in full, including the Board's reasons for why you should vote against the Requisitioners' Resolutions set out on page 16.**

#### **REASONS FOR THE BOARD'S RECOMMENDATION TO VOTE AGAINST THE REQUISITIONERS' RESOLUTIONS**

**Your Board unanimously recommends that you VOTE AGAINST the Requisitioners' Resolutions (Resolutions 1 to 6) for the reasons listed below.**

As the Requisitioners point out, the Company has been subject to external factors beyond its control, which I set out below. Some of the factors that have adversely affected our business to date include:

1. EIS relief was withdrawn in October 2015 for companies involved in our sector;
2. in March 2016, the UK Government consulted on reforms to the Capacity Market resulting in the investee companies becoming liable for the EIS tax relief granted to the EIS investors via a reduction to CM payments in certain circumstances;

3. in March 2017, Ofgem confirmed that from the winter of 2017/2018 TRIADs would be reduced over 3 years for generators such as PPG to the residual charge;
4. after the June 2017 election the Medium Combustion Plant Directive (MCPD) was announced which required us to fit selective catalytic reduction (SCR) or other measures to reduce the NOx from our FlexGen portfolio at a cost of between £300,000 to £500,000 per site; and
5. on 15 November 2018, the General Court of the European Union issued a judgment annulling the Commission's original State aid decision to approve a Capacity Mechanism scheme. This was re-introduced in October 2019.

The two biggest adverse factors for Plutus have been: (i) the loss of TRIAD income making the sites marginal in terms of profitability from operations which have significantly lowered the value of the co-owned companies; and (ii) the original suspension of CM which meant that the Company was neither able to sell the sites or refinance the co-owned investee companies. These factors have contributed to the share value of the Company falling because of factors outside the control of the Company and its directors. The Existing Directors believe that the recent re-instatement of CM should help significantly with the cash flow of the co-investee companies over the next 15 years and add to the value of the sites although not sufficient to compensate for the loss of TRIAD income. However, it is the Existing Directors view that the CM re-instatement will facilitate the sale of the FlexGen assets, the sale of which is being handled by Rockpool and advised on by Jones Lang LaSalle.

The Existing Directors believe that between the Requisitioners and the Alternative Directors there is limited experience of the UK flexible energy generation sector and in some cases there is a track record of destruction of shareholder value and significant dilution for shareholders. For example, two days after the appointment of Nicholas Lee to the board of RiverFort Global Opportunities plc ("RiverFort") (formerly called Paternoster Resources PLC) on 28 April 2011, the share price was 114.5p. As of 10 December 2019, the mid-market share price of RiverFort was 0.075p, a fall of 99.9% in a period of over 8 ½ years. In addition, it is recorded at Companies House that there were 32,857,956 shares in issue on 10 May 2011, 13 days after Mr Lee's appointment. RiverFort had, at the year ended 31 December 2018, 6,789,335,226 (6.789 billion) ordinary shares in issue. This represents a huge destruction in shareholder value and dilution for shareholders in RiverFort. It is also worth noting that Miles Nicholson, who prepares all the accounts of the Plutus co-investee companies is also the Company Secretary of RiverFort, which has not been previously disclosed by Riverfort and the Existing Directors believe this may be a conflict of interest.

The Existing Directors have led the company's achievements since August 2014 when the takeover of Plutus Energy was completed by your Company. Charles Tatnall (Executive Chairman) and James Longley (Interim CEO and Chief Financial Officer) approached the late Philip Stephens and Paul Lazarevic approximately two years before the acquisition took place with a view to them teaming up to develop FlexGen sites in the UK. It had been identified that there were significant industry and tax advantages to be had by building out a portfolio of 20MW sites each to be held in a separate company and to be funded by outside investors. The Existing Directors structured the "bottom up" investment approach as this minimised dilution to the holding company shareholders whereby outside investors invested directly into companies which would ultimately end up being owned on average 44.5% by Plutus. By this way circa £35 million of equity investment was attracted from investors managed by Rockpool Investments LLP ("Rockpool") who had been approached by certain of the Existing Directors who held this vision and structure. This would have caused significant dilution in the holding company if this level of funding had been invested directly into Plutus.

As most of the asset finance has also been provided by Rockpool and their investors, other than a £3million tranche provided by Lombard, it is the case that the Existing Directors have introduced the funding for the nine sites co-owned with Rockpool. This achievement would not have happened without your existing board. The Late Mr Stephens and Mr Lazarevic joined the board as the "operations" side of the Company whilst Charles Tatnall and James Longley were to concentrate on the financial, funding, shareholder and corporate side of the Company. This arrangement worked quite successfully for some time but contemporaneously the power industry became the subject of a number of reviews by various regulatory and government bodies, including BEIS, Ofgem and Defra detailed above.

In letters dated 19 August 2019, Plutus was given notice that our management contracts were to be terminated in eight out of the nine companies with six months' notice because the co-owned companies needed to reduce costs further than the already reduced fees we were receiving as agreed under the letters of variation with the co-owned investee companies. The Company has been accruing the balance of the fees which are due to Plutus when the co-investee companies are sold or the debt is refinanced under the terms of the letters of variation.

On 18 October 2019, Paul Lazarevic informed Rockpool that he had left the company, which was in breach of his contract with Plutus. The directors of the co-investee companies notified Plutus on 21 October 2019 that we had breached our management contracts with them as they didn't believe the Company had any employees remaining with sufficient expertise who could fulfil the terms of the Company's management agreement. We attempted to sub-contract the management of the sites but the contractors concluded that the notice period remaining was too short for them and they ultimately declined.

The requisitioners state in their letter, "*.....and to reinstate Paul Lazarevic as a director of the Company.....*". Following the breach of contract by Mr Lazarevic the company has taken legal advice as to what steps it may take against Mr Lazarevic to protect the interests of the Company and its shareholders and the Company anticipates shortly commencing legal proceedings against Mr Lazarevic. As such the Existing Directors feel that such a move to re-appoint Mr Lazarevic to the board of Plutus would be totally inappropriate. We believe that Mr Lazarevic has been conspiring against the best interests of your company for some time.

We are in advanced discussions to appoint a highly experienced executive director to the Board who is an industry leader within our sector and he will spearhead the negotiations for funding the proposed gas portfolio. We are also seeking to appoint a further independent non-executive director to the Board who we are also in advanced discussions with and who will bring valuable experience, especially in finance, to the Board. There can be no guarantee that these appointments will come to fruition and both appointments remain subject to completion of satisfactory due diligence.

It is the view of the Existing Directors that, during their period of office, they have fulfilled their duties as directors to the full and they have done all that is possible to maintain the value of our investments and the co-owned investee companies but have been highly constrained due to the external factors adversely affecting the business of Plutus as detailed above and in recent announcements. It is the view of the Existing Directors that no other director or the appointment of the Requisitioners would have made a difference to these circumstances. The Existing Directors are no longer drawing or accruing fees or salaries from Plutus.

The requisitioners also state, "*.....The proposed new directors have the relevant experience and access to capital in order to stabilise, refocus and grow the Company.....*". We have previously asked them to assist us with financing the gas site portfolio going forward but they have refused to help us unless they were appointed to the board, a further demonstration of their self-interest rather than the interests of the shareholders as a whole. The track record of certain of the Requisitioners of significant dilution to shareholders in other public companies and destruction of shareholder value speaks for itself. Indeed, they have given no detailed plans as to how they would take the Company forward other than the foregoing.

The Existing Directors strongly refute the likelihood that the requisitioners "*.....may even enable the Company to persuade Rockpool to reinstate its management contracts*". The directors of the Company have met with the directors of the co-investee companies together with Rockpool and they said that there were no circumstances whereby Plutus would have the management contracts re-instated. The co-owned FlexGen sites are in a sales process and the loss of the management contracts took place when Mr Lazarevic was a director and the whole basis for the loss of the contracts is to save costs and enhance the value of the sites pending their sale. Indeed, the Existing Directors were informed that the three directors of the co-investee companies have set up their own management company, Crest Energy Limited, to manage the co-owned sites in place of Plutus.

The primary assets of the Company, being the interests in the FlexGen sites, are now in a sale process and the appointment of new directors would make no difference to that process or any of the operations of the Company as it is already in care and maintenance pending sale of the Flexible Generation assets and we have plans in place to appoint an industry leader as director to spearhead the funding talks for gas sites with DWPF and the infrastructure fund they have introduced to us.

## **RISK OF SUSPENSION AND CANCELLATION FROM THE AIM MARKET**

**Shareholders should be aware that the Requisitioners' Resolutions, if passed, could potentially pose a risk to the admission of the Ordinary Shares to trading on AIM. If the Requisitioners' Resolutions are passed, the Company's nominated adviser will need to consider the proposed Alternative Directors and Board composition in connection with the overall suitability of the Company to be a company with shares admitted to a public market in the UK. In order to comply with the AIM Rules, information has been requested from the Alternative Directors to enable the Company's nominated adviser to undertake customary due diligence and satisfy itself as to Board composition and suitability. Information has been provided by the Alternative Directors**

and the due diligence process is ongoing. To date the nominated adviser has not indicated to the Existing Directors that they are, or have become, aware of anything which would lead them to conclude that the Alternative Directors would be unsuitable to be directors of a company with its shares traded on AIM. The Nominated Adviser is confident that the due diligence process will be completed by the time of the General Meeting. In the event that the Company's nominated adviser cannot reach a satisfactory conclusion in this respect and as to Board suitability for the purposes of the AIM Rules, then should all the Requisitioners' Resolutions be passed, the nominated adviser may be compelled by the AIM Rules and AIM Rules for Nominated Advisers to resign. Following the resignation of the Company's nominated adviser taking effect, in the absence of the appointment of a new nominated adviser, trading in the Company's Ordinary Shares on AIM will be suspended. If the Company cannot appoint a replacement nominated adviser within one month of such suspension, the admission of the Company's Ordinary Shares to trading on AIM will be cancelled. The Existing Directors are of the view that, in the circumstances, there can be no guarantee that a replacement nominated adviser can be appointed within the appropriate timescale.

## REQUISITIONERS' STATEMENT

The Requisitioners' Statement accompanied the Requisitioners' letter of 19 November 2019, which the Requisitioners require the Company to circulate to those members receiving notice of the requisitioned General Meeting, in accordance with section 314 of the Companies Act 2006. The Requisitioners' Statement in its entirety is set out in Appendix 1 to this document.

**The Existing Directors would emphasise that the Company is required by law to circulate to Shareholders the Requisitioners' Statement, as set out in Appendix 1 of this document, and the Existing Directors cannot therefore take any responsibility for the accuracy of the statement nor the claims made within the statement, including the biographies of the Alternative Directors. The Existing Directors cannot take any responsibility for whether any forward-looking statements within the Requisitioners' Statement can be successfully achieved or implemented.**

The Existing Directors are of the view that the Requisitioners have provided very little information and detail in relation to their strategy for the Company. Following previous meetings with the Alternative Directors, the Existing Directors have not seen sufficient evidence that the proposed Alternative Directors have a credible strategy or an in depth understanding of the Company and the flexible energy generation sector.

**Given the above, and other potential concerns regarding the Requisitioners' Statement, the Existing Directors believe that Shareholders should consider exercising an appropriate level of caution when evaluating the Requisitioners' Statement in forming a view regarding voting decisions for the General Meeting. In addition, the contents of this Chairman's Letter should be borne in mind.**

## RECOMMENDATION OF THE BOARD

For the reasons set out above, the Plutus Board considers that the Requisitioners' Resolutions to:

- remove the Existing Directors, being Charles Tatnall, James Longley and Tim Cottier; and
- replace them with the Alternative Directors, being Nicholas Lee, David Horner and Dr. Nigel Burton,

**are, in each case, not in the best interests of the Company or Shareholders as a whole and the Board therefore unanimously recommends that all Shareholders **VOTE AGAINST** the Requisitioners' Resolutions, as all the Existing Directors have irrevocably undertaken to do in respect of their aggregate beneficial holdings of 171,333,334 Ordinary Shares (representing approximately 19.6 per cent. of the issued share capital of the Company).**

## ACTION TO BE TAKEN

You will find, set out at the end of this document, a Notice convening the General Meeting, to be held at 12.00 noon on 10 January 2020 at the offices of DMH Stallard LLP, 6 New Street Square, New Fetter Lane, London EC4A 3BF, at which the Resolutions will be considered. The full text of the Resolutions is set out in the Notice. **Voting at the General Meeting will be by poll and not on a show of hands and each Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Ordinary Share held.**

**You will find enclosed with this document a Form of Proxy for use at the General Meeting or any adjournment thereof. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, as soon as possible, and in any event, no later than 12.00 noon on 8 January 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).**

**Shareholders wishing to complete their paper Form of Proxy in line with the Board's recommendations should place an "X" in the boxes under the heading "Against" for the Requisitioners' Resolutions.**

If you have any questions relating to this document, the General Meeting and/or the completion and return of the Form of Proxy, please contact Share Registrars Limited on 01252 821390 if calling within the United Kingdom or +44 1252 821390 if calling from outside the United Kingdom. Lines are open 9:00am – 5:30pm Mon–Fri. Calls to the helpline from within the United Kingdom are charged at your network providers standard rates. Call to the helpline from outside the United Kingdom will be charged at applicable international rates. Please note that cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting (or any adjournment thereof) if you wish to do so and are so entitled.

**The Board of Plutus UNANIMOUSLY recommends that  
Shareholders VOTE AGAINST the Requisitioners' Resolutions  
at the General Meeting**

Yours faithfully,

Charles Tatnall  
Executive Chairman

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

|                                     |   |
|-------------------------------------|---|
| <b>AIM Rules:</b>                   | the AIM Rules for Companies published by London Stock Exchange Group plc, which govern the admission and trading of a company's securities on AIM, a stock market operated by London Stock Exchange Group plc |
| <b>Alternative Directors:</b>       | Nicholas Lee, David Horner and Dr Nigel Burton  |
| <b>Board:</b>                       | the current board of directors of the Company, being the Existing Directors   |
| <b>CM</b>                           | Capacity Mechanism  |
| <b>Company or Plutus:</b>           | Plutus PowerGen plc, registered in England and Wales with registered number 05859612  |
| <b>CREST:</b>                       | the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)  |
| <b>EU:</b>                          | European Union  |
| <b>Existing Directors:</b>          | Charles Tatnall, James Longley and Tim Cottier, the current directors of the Company  |
| <b>Form of Proxy:</b>               | the Form of Proxy enclosed with this document for use by Shareholders in connection with the General Meeting  |
| <b>General Meeting:</b>             | the general meeting of the Company to be held at 12.00 noon on 10 January 2020 (and any adjournment thereof) for the purposes of considering and, if thought fit, passing the Resolutions                     |
| <b>Ordinary Shares:</b>             | the ordinary shares of 0.1 pence each in the capital of the Company, having the rights set out in the Company's Articles of Association   |
| <b>Notice:</b>                      | the notice of the General Meeting set out on pages 16 to 19 (inclusive) of this document.   |
| <b>Regulations:</b>                 | the Uncertificated Securities Regulations 2001 of the United Kingdom  |
| <b>Resolutions:</b>                 | the proposed resolutions set out in the Notice  |
| <b>Requisition:</b>                 | the notice received on 20 November 2019 from the Requisitioners to call a general meeting to propose Resolutions 1 to 6   |
| <b>Requisitioners:</b>              | Chelverton Asset Management Limited and RiverFort Global Opportunities plc  |
| <b>Requisitioners' Resolutions:</b> | Resolutions 1 to 6 set out in the Notice  |
| <b>Requisitioners' Statement:</b>   | the statement of the Requisitioners set out in Appendix 1   |
| <b>RiverFort</b>                    | RiverFort Global Opportunities plc, an existing shareholder in the Company and one of the Requisitioners  |

|                              |  |
|------------------------------|--|
| <b>Shareholders:</b>         | holders of Ordinary Shares                               |
| <b>UK or United Kingdom:</b> | the United Kingdom of Great Britain and Northern Ireland |
| <b>pence, £ or p</b>         | the lawful currency of the United Kingdom                |

All times referred to are local time in London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

## Appendix 1 Requisitioners' Statement

Dear Shareholders

### Introduction

We are the two largest institutional shareholders in Plutus PowerGen plc ("PPG" or the "Company"), with a combined holding of in excess of 9%. We are highlighting here our concerns about the Company and explaining the background to the requisition that we have recently served.

As institutional shareholders, we consider that it is only right and responsible for us to take an activist approach where we consider that circumstances are such that drastic action is necessary. We have done this because we believe that there are now limited options to preserve shareholder value in a situation where the Board is unwilling to accede to, and/or dismissive of, wholly reasonable shareholder demands.

In summary:

- the Board has rejected numerous approaches by us over several months aimed at providing improved financial performance, governance and expertise to PPG;
- the Company's shares have fallen by over 93% since early 2018; and
- the replacement of the Board is the only way that the Company will be able to raise sufficient funds to survive and have a viable chance to thrive.

We therefore believe that the only way forward now is for us to seek to remove the existing board in its entirety, appoint David Horner, Nicholas Lee and Nigel Burton (each of whom have consented to act as directors of the Company) to the board, and to reinstate Paul Lazarevic as a director. Paul being the only recent board member with the relevant sector experience. Whilst we regret the need to deal with this matter in the public arena, we have made no progress dealing privately with the Board and therefore cannot see any alternative but to approach shareholders directly to support us.

We are aware that the sector in which the Company operates has recently been difficult given the issues with the capacity mechanism ("CM") and the phasing out of the triad payments. Whilst we were pleased to learn that CM is to be reinstated, in the short term, we do not believe that this does anything to help the Company's current financial position. We remain very concerned about the complete lack of any progress by the Company over the last two years and the serious weakening of its financial position.

### Our concerns

We list below a selection of our concerns that have come to light over recent months:

- PPG has lost its management contracts with Rockpool Investments LLP ("Rockpool"), which were the Company's only source of income, amounting, we believe, to over £500,000 per annum. Also, this apparent breakdown in the Rockpool relationship does not bode well for the proposed development of the Company's first gas site with Rockpool;
- there is a lack of cost control with administration costs appearing to be very high given the scope and scale of the Company's operations. The £500,000 raised from the placing in November 2018 has been spent when financial prudence should have been observed and administration costs reduced;

- the Company failed to get planning approval on the site in Devon which is a blow given the excitement and expectation when it was first announced;
- the potential funding for the gas sites does not seem to be any further forward;
- Paul Lazarevic, the only board member with any relevant sector experience and important relationships within the sector and the person responsible for operations has now left the Company so, in our view, the current board is no longer fit for purpose;
- PPG's share price has fallen significantly since early 2018, at one stage reaching 0.11 pence, valuing the Company at around £960,000;
- the Company appears to be very short of cash – on 30 May 2019, it announced that, as at 30 April 2019, it only had a cash balance of £64,000 even after the £500,000 placing in November 2018. Now it would appear that the figure at that date was in fact lower still at £45,177 - the current cash balance must now be almost zero. Given the Company's recent share price performance we believe that the current team will struggle to raise new funding;
- the recent publication of the Company's results for the year to 30 April 2019, moments before the deadline to avoid suspension in trading of the Company's shares, has done more to heighten our concerns as opposed to allaying our fears; and
- the Company's financial situation and prospects have now clearly deteriorated further since its year end as a result of the loss of the Rockpool contracts. The Company's auditors appear to agree with this analysis, stating that the Company will need to raise new working capital and including a material uncertainly paragraph within their audit report.

### **The way forward**

We are confident that PPG does have the potential to do well in what will ultimately be an attractive sector, however, we believe that there is an urgent need to change the board in order to secure the Company's survival. The proposed new directors have the relevant experience and access to capital in order to stabilise, refocus and grow the Company. Furthermore, we believe that a new board will provide all stakeholders with renewed confidence in the Company which may even enable the Company to encourage Rockpool to consider the reinstatement of the management contracts.

Interestingly, once our requisition to effect change was announced by the Company, the share price rebounded from a low of 0.11 pence to 0.165 pence, an increase of some 50%, thereby confirming investors' appetite for change at the Company.

### **Action to be taken**

In summary, we strongly urge shareholders to vote in favour of the resolutions that will be proposed by us at the forthcoming general meeting of the Company as we believe that this is the only way for shareholders to take affirmative action with a view to protecting our investment in the Company.

Yours sincerely

David Horner  
Managing Director  
Chelverton Asset Management

Nicholas Lee  
Investment Director  
RiverFort Global Opportunities plc

-ends-

**NOTICE OF GENERAL MEETING**  
**PLUTUS POWERGEN PLC**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 05859612)*

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a general meeting of the shareholders of Plutus PowerGen plc (the **Company**) (the **General Meeting**) will be held at 12.00 noon on 10 January 2020 at the offices of DHM Stallard LLP, New Street Square, New Fetter Lane, London, EC4A 3BF, for the purpose of considering and, if thought fit, passing the following proposed resolutions, all of which shall be proposed as ordinary resolutions, special notice having been given to the Company pursuant to sections 168 and 312 of the Companies Act 2006 :

**REQUISITIONERS' RESOLUTIONS**

**ORDINARY RESOLUTIONS**

- 1 **THAT** Charles Tatnall be and is hereby removed as a director of the Company.
- 2 **THAT** James Longley be and is hereby removed as a director of the Company.
- 3 **THAT** Tim Cottier be and is hereby removed as a director of the Company.
- 4 **THAT** Nicholas Lee be and is hereby appointed as a director of the Company (with such appointment taking immediate and simultaneous effect).
- 5 **THAT** David Horner be and is hereby appointed as a director of the Company (with such appointment taking immediate and simultaneous effect).
- 6 **THAT** Dr. Nigel Burton be and is hereby appointed as a director of the Company (with such appointment taking immediate and simultaneous effect).

Dated: 12 December 2019

*Registered Office:*  
27/28 Eastcastle Street  
London  
W1W 8DH

**By order of the Board**

**James Longley**  
Company Secretary

## Notes:

- (a) Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If you do not have a Form of Proxy and believe that you should have one, please telephone the Company's registrars Share Registrars Limited on 01252 821390 if calling within the United Kingdom or +44 1252 821390 if calling from outside the United Kingdom. Lines are open 9:00am – 5:30pm Mon–Fri. Calls to the helpline from within the United Kingdom are charged at your network provider's standard rates. Call to the helpline from outside the United Kingdom will be charged at applicable international rates. Please note that Share Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. The appointment of a proxy does not preclude a shareholder from attending and voting in person if he or she wishes to do so.
- (b) Should you wish to appoint more than one proxy, (an) additional Form(s) of Proxy may be obtained by contacting Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or on 01252 821390 if calling within the United Kingdom or +44 1252 821390 if calling from outside the United Kingdom. Lines are open 9:00am – 5:30pm Mon–Fri. Calls to the helpline from within the United Kingdom are charged at your network provider's standard rates. Other service providers' costs may vary. Call to the helpline from outside the United Kingdom will be charged at applicable international rates. Alternatively, please photocopy the Form of Proxy indicating on each copy the name of the proxy you wish to appoint, the number of shares in respect of which the proxy is appointed and the way in which you wish them to vote on the proposed resolutions to be proposed. You should send all pages to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. Please also indicate by ticking the box on the Form of Proxy if you intend to appoint more than one proxy. The following principles shall apply in relation to the appointment of multiple proxies:
- (i) The Company will give effect to the intentions of shareholders and include votes wherever and to the fullest extent possible.
- (ii) Where a proxy does not state the number of shares to which it applies (a **blank proxy**) then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of the appointing shareholder (the **shareholder's entire holding**). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (a **specific proxy**), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that, as far as possible, the conflicting Forms of Proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
- (iii) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the shareholder's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. That is, there is only assumed to be a conflict where the aggregate number of shares in respect of which proxies have been appointed exceeds the shareholder's entire holding.
- (iv) When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies.
- (v) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) an entire holding, none of them shall be treated as valid.
- (vi) Where the aggregate number of shares in respect of which proxies are appointed exceeds a shareholder's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata.

(vii) Where the application of paragraph (vi) above gives rise to fractions of shares, such fractions will be rounded down.

(viii) If a shareholder appoints a proxy or proxies and then decides to attend the General Meeting in person and vote, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the shareholder's entire holding, then all proxy votes will be disregarded. If, however, the shareholder votes at the General Meeting in respect of less than the shareholder's entire holding then if the shareholder indicates that all proxies are to be disregarded, that shall be the case; but if the shareholder does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the shareholder's entire holding.

(ix) In relation to paragraph (viii) above, in the event that a shareholder does not specifically revoke proxies, it will not be possible for the Company to determine the intentions of the shareholder in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

- (c) To be valid at the General Meeting, any Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by post or (during normal business hours only) by hand by Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by facsimile transmission to 01252 719232 or email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com). ("the proxy notification address") no later than 12.00 noon on 8 January 2020 (or, in the case of an adjournment, not later than 48 hours (disregarding any part of a day that is a non-working day) before the time fixed for the holding of the adjourned meeting) or, in the case of a poll taken more than 48 hours after it is demanded, delivered to the proxy notification address not less than 24 hours (disregarding any part of a day that is not a working day) before the time appointed for the taking of the poll.
- (d) Where the appointor is a corporation, the Form of Proxy, to be valid, must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (e) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names appear on the register of members of the Company in respect of the joint holding.
- (f) Only those shareholders registered in the register of members of the Company at close of business on 8 January 2020 (or, in the event of any adjournment, close of business on the date which is two days (excluding non-working days) prior to the adjourned meeting) shall be entitled to attend and vote at the General Meeting. Changes to the register of members and CREST transactions after that time will be disregarded and will not affect entitlements to attend and vote at the General Meeting and no transfers of securities in certificated form will be registered from that time until the close of the General Meeting.
- (g) In accordance with section 325 of the Companies Act 2006 (the **Act**), the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Act. Such rights can only be exercised by shareholders of the Company. Persons nominated to receive information rights under section 146 of the Act who have been sent a copy of this Notice are hereby informed, in accordance with section 149(2) of the Act, that they may have a right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder by whom they were nominated in respect of these arrangements.
- (h) Corporate shareholders may authorise a person or persons to act as representative(s) to attend, speak and vote on their behalf at the General Meeting by submitting a corporate representation letter. More than one corporate representative may be appointed by a corporate shareholder, provided that each corporate representative has been appointed under a valid letter of representation. In accordance with the provisions of the Act, all such corporate representatives may exercise (on behalf of the corporate shareholder) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares as another representative of the same corporation.

- (i) As at close of business on 11 December 2019 (being the last business day prior to publication of this Notice), the Company's issued share capital comprised 872,534,994 ordinary shares of 0.1 pence each carrying one vote each. Therefore, the total number of voting rights in the Company as at 11 December 2019 is 872,534,994.
- (j) A copy of this Notice and other information required by section 311A of the Act will be available on the Company's website [www.plutuspowergen.com](http://www.plutuspowergen.com).