

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

NOTICE OF MEETING

to the holders of

REC Limited (formerly known as Rural Electrification Corporation Limited) (the “Issuer”)
(incorporated with limited liability in the Republic of India)

Legal Entity Identifier: 335800B4YRYWAMIJZ374

U.S.\$700,000,000 5.250% Notes due 2023 (the “Notes”)

(of which U.S.\$700,000,000 is outstanding)

(Rule 144A Registered Global Note – CUSIP: 74947LAA2; ISIN: US74947LAA26; Common Code: 190259978)

(Regulation S Registered Global Note – ISIN: XS1902341939; Common Code: 190234193)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement (as defined below) made between, amongst others, the Issuer, The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”) and the The Bank of New York Mellon as DTC paying agent, a meeting (the “**Meeting**”) of the holders of securities convened by the Issuer will be held on 14 March 2019 at Allen & Overy (Hong Kong), 9th Floor, Three Exchange Square, Central, Hong Kong at 10:30a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing the following extraordinary resolution (the “**Extraordinary Resolution**”) which will be proposed as a resolution in accordance with the provisions for meetings of holders of Notes set out in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement.

NOTICE IS ALSO HEREBY GIVEN that, if the necessary quorum for the Extraordinary Resolution is not obtained, an adjourned Meeting of the holders of the Notes convened by the Issuer will be held on 29 March 2019 at Allen & Overy (Hong Kong), 9th Floor, Three Exchange Square, Central, Hong Kong at 10:30a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing the Extraordinary Resolution, which will be proposed as a resolution in accordance with the provisions for meetings of holders of Notes set out in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement.

Unless the context otherwise requires, terms used in this notice shall bear the meanings given to them in the Agency Agreement or, as applicable, the consent solicitation memorandum dated 20 February 2019 (as supplemented or amended from time to time, the “**Consent Solicitation Memorandum**”).

EXTRAORDINARY RESOLUTION

“THAT THIS MEETING (the “**Meeting**”) of the holders of REC Limited (formerly known as Rural Electrification Corporation Limited)’s (the “**Issuer**”) U.S.\$700,000,000 5.250% Notes due 2023 (Rule 144A Registered Global Note – CUSIP: 74947LAA2; ISIN: US74947LAA26; Common Code: 190259978) (Regulation S Registered Global Note – ISIN: XS1902341939; Common Code: 190234193) (the “**Notes**”), pursuant to the amended and restated agency agreement dated 22 October 2018 between, amongst others, the Issuer, The Bank of New York Mellon, London Branch as Principal Paying Agent and The Bank of New York Mellon as DTC Paying Agent in respect of the Notes (the “**Agency Agreement**”), subject to:

- (a) the relevant Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) in respect of each of the Issuer’s:
 - i. U.S.\$400,000,000 3.068% Notes due 2020 (ISIN: XS1733878810; Common Code: 173387881);

- ii. U.S.\$450,000,000 3.875% Notes due 2027 (ISIN: XS1641477119; Common Code: 164147711); and
- iii. U.S.\$300,000,000 4.625% Notes due 2028 (ISIN: XS1791439257; Common Code: 179143925),

being duly passed at the relevant meeting or, as the case may be, adjourned meeting of the holders of those series of notes; and

- (b) receipt of the approval of the Reserve Bank of India for the payment of the Consent Fee by the Issuer in respect of the Notes and each series of notes referred to in paragraph (a) above,

(collectively, the “**Consent Conditions**”),

by Extraordinary Resolution HEREBY:

- (1) agrees to waive any right that the holders of the Notes may have in connection with the Proposed Transfer to:
 - a. require the Issuer to redeem any of the Notes held by such Noteholder pursuant to Condition 7.3; or
 - b. declare any Notes held by such Noteholder to be forthwith due and payable pursuant to Condition 10.1(c) and/or 10.1(i)
- (2) agrees to the Issuer’s proposal to amend the terms and conditions of the Notes, by way of the relevant Amended and Restated Pricing Supplement in relation to each Series of Notes, to:
 - a. amend the definition of “Change in Control” in Condition 7.3 as follows:

“A “**Change in Control**” occurs when:

 - (a) where the Issuer is not merged into another Person or acquired by another Person, the Government of India ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer;
 - (b) where the Issuer is merged into or acquired by another Person, the Government of India does not own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of such Person; or such Person ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer;
 - (c) any Person (other than (x) the Government of India or (y) the Person in whom the Government of India owns, directly or indirectly, more than 50 per cent. of the voting rights of its share capital) acquires Control of the Issuer; or
 - (d) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the Government of India losing Control over the Issuer, such other Person or the successor entity (as applicable).”;
 - b. insert the additional definitions below into Condition 7.3;

““**Control**” means (a) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (b) the right to control or be able to direct the affairs and composition of the board of directors or equivalent body of the Issuer, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; and

“Persons” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly owned direct or indirect subsidiaries.”; and

- c. delete Condition 10.1(i) in its entirety.

For the avoidance of doubt, the aforesaid waiver and modification shall be deemed effective immediately prior to the Proposed Transfer Completion Event, provided that the Consent Conditions are fulfilled.

The modification shall be implemented by way of an Amended and Restated Pricing Supplement to be executed by the Issuer (the “**Amended and Restated Pricing Supplement**”) in respect of the Notes and effective in accordance with the terms thereof. The form of the Amended and Restated Pricing Supplement is available for inspection on the Consent Website and at the registered office of the Issuer.

- (3) authorises, directs and requests the Issuer to: (i) implement the amendment referred to in paragraph (2) of this Extraordinary Resolution by way of execution of the Amended and Restated Pricing Supplement; and (ii) enter into and do all such other agreements, deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution;
- (4) sanctions and assents to every abrogation, amendment, modification, compromise or arrangement in respect of the rights of the holders of the Notes against the Issuer or against any of its property whether such rights shall arise under the Agency Agreement or otherwise involved in or resulting from the convening of the Meeting, the Proposal, this Extraordinary Resolution, the Amended and Restated Pricing Supplement or their implementation and/or the amendments to the Terms and Conditions of the Notes or their implementation;
- (5) acknowledges and agrees that, subject to the fulfilment of the Consent Conditions, the Amended and Restated Pricing Supplement and the amendments to the Terms and Conditions of the Notes will each become effective in accordance with the terms thereof;
- (6) acknowledges that the payment of the Consent Fee shall be conditional on the Meeting being quorate and validly held, this Extraordinary Resolution being passed at the Meeting, and the Amended and Restated Pricing Supplement in respect of the Notes being executed and this Extraordinary Resolution being effective.

THIS EXTRAORDINARY RESOLUTION SHALL BE DEEMED EFFECTIVE IMMEDIATELY PRIOR TO THE PROPOSED TRANSFER COMPLETION EVENT, PROVIDED THAT THE CONSENT CONDITIONS ARE FULFILLED.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the Agency Agreement, or as applicable, the Consent Solicitation Memorandum prepared by the Issuer and dated 20 February 2019 (as supplemented or amended from time to time, the “**Consent Solicitation Memorandum**”).”

The Issuer has convened the Meeting for the purpose of enabling holders of Notes to consider the Proposal set out in the Consent Solicitation Memorandum and, if they think fit, to pass the Extraordinary Resolution set out above.

Background to the Proposal

The Issuer is a listed central public sector enterprise in the Indian power infrastructure sector, with the Government of India (“**GoI**”) holding 52.85% of its paid-up equity share capital as of 31 January 2019.

On 6 December 2018, the Cabinet Committee on Economic Affairs of India, chaired by the Prime Minister Shri Narendra Modi, announced that it has given its in-principle approval for a strategic sale by the GoI of 52.63% equity shareholding in the Issuer to Power Finance Corporation Limited (“PFC”), along with a transfer of management control (the “**Proposed Transfer**”).

PFC is a listed central public sector enterprise, with the GoI holding 61.37% of its paid-up equity share capital. PFC is a leading financial institution in India focused on the power sector, and plays a strategic role in the GoI’s initiatives for the development of the power sector in India, working closely with state governments and power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India.

Upon completion of the Proposed Transfer, the Issuer will continue to be a government-owned company and a public financial institution in accordance with the provisions of the (Indian) Companies Act, 2013. Further, as PFC is a central public sector enterprise, the Issuer will also remain a central public sector enterprise by virtue of PFC’s shareholding in the Issuer

The Proposed Transfer is intended to achieve integration across the power chain, obtain better synergies, create economies of scale and enhance capability to support energy access and energy efficiency in India by improving capability to the finance power sector. It may also allow for cheaper fund raising, with increase in bargaining power for the combined entity.

Amended and Restated Pricing Supplements

The Proposal will be implemented by the execution and effectiveness of the Amended and Restated Pricing Supplement, the form of which is available for inspection by holders, all as more fully set out under “*Documents Available for Inspection*” below.

Documents Available for Inspection

Holders of the Notes may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date of the Consent Solicitation Memorandum up to and including the date of the Meeting (or any adjourned Meeting) (and, in each case, for 15 minutes prior thereto), inspect copies of the documents set out below at the registered office of the Issuer:

- (a) the pricing supplement dated 31 October 2018 in relation to the Notes;
- (b) the form of the Amended and Restated Pricing Supplement; and
- (c) the Consent Solicitation Memorandum.

Copies of the documents set out above will also be available on the Consent Website.

Consent Fee

The Issuer will pay to each Beneficial Owner of the Notes (other than where such Beneficial Owner is a Sanctions Restricted Person) from whom a valid Consent Instruction in favour of the Extraordinary Resolution is received at or prior to 5:00 p.m. (CET) on 1 March 2019 (the “**Consent Fee Deadline**”) (and not revoked) the Consent Fee. The Consent Fee will be paid as consideration for the Beneficial Owners of the Notes’ agreement to the Extraordinary Resolution and is subject to the Meeting being quorate and validly held, the Extraordinary Resolution in respect of the Notes being passed, and the Amended and Restated Pricing Supplement being executed and the Extraordinary Resolution being effective. Only Beneficial Owners of the Notes who deliver, or arrange to have delivered on their behalf, valid Consent Instructions at or prior to the Consent Fee Deadline (and who do not revoke such Consent Instructions, in the limited circumstances in which revocation is permitted) will be eligible to receive the Consent Fee.

No Consent Fee shall be payable to any Beneficial Owner to the extent that the Extraordinary Resolution set out above in respect of the Notes is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the

Amended and Restated Pricing Supplement in respect of the Notes is not executed and/or the Extraordinary Resolution does not become effective. The Issuer has applied for the RBI Approvals on 11 February 2019. The RBI Approvals may or may not be forthcoming. The Issuer will publish notices on the Consent Website and the website of the relevant Stock Exchange to notify the holders of the Notes once the RBI Approvals have been obtained. The RBI Approval is tentatively expected to be received by 13 March 2019.

Beneficial Owners of the Notes will not be eligible for the Consent Fee if they (i) appoint a proxy other than the Information and Tabulation Agent (or its nominee) to attend and vote at the Meeting or are not represented at the relevant Meeting, (ii) attend the Meeting in person, (iii) submit a Consent Instruction against the Proposal or in favour of the Extraordinary Resolution but after the Consent Fee Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) or unblock their Notes before the Meeting, or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Notes under the Terms and Conditions, the Meeting Provisions and the Agency Agreement in respect of the Notes to arrange for the appointment of a proxy to attend and vote at the Meeting entitling them or their nominee to attend and vote at the Meeting in accordance with the provisions of the Terms and Conditions, the Meeting Provisions, the Agency Agreement and this Notice.

Following the Meeting (or the adjourned Meeting) being held, the passing of the Extraordinary Resolution, and subject to the execution of the Amended and Restated Pricing Supplement and the effectiveness of the Extraordinary Resolution, Beneficial Owners of the Notes will be notified through the Clearing Systems of the date on which the Consent Fee will be paid to eligible Beneficial Owners of the Notes.

Where payable, the Consent Fee shall be paid to each eligible Beneficial Owner's cash account (or the account through which they hold the Notes) in Euroclear or Clearstream, Luxembourg, as the case may be (except for the Notes held through DTC, the "**2023 DTC Notes**"), or into the account specified in the Form of Sub-Proxy (in respect of the 2023 DTC Notes), in either case, by no later than the fifth Business Day following the Effective Date.

In respect of the Notes (except for the 2023 DTC Notes), each relevant Direct Participant must look solely to Euroclear or Clearstream, Luxembourg, as the case may be (or, in the case of Beneficial Owners of the Notes that are not Direct Participants, the Direct Participant or other intermediary through which they hold their Notes) for its share of the aggregate payments made by the Issuer to Euroclear and Clearstream, Luxembourg, respectively, in respect of the Consent Fee. Under no circumstances will any interest be payable because of any delay by Euroclear or Clearstream, Luxembourg, or any other party in the transmission of funds to Beneficial Owners of the Notes.

In respect of the 2023 DTC Notes, each relevant Beneficial Owner of Notes must look solely to the DTC Direct Participant or other intermediary through which they hold their 2023 DTC Notes for its share of the aggregate payments made by the Issuer to the relevant DTC Participant, in respect of the Consent Fee. Under no circumstances will any interest be payable because of any delay by the relevant DTC Participant or any other party in the transmission of funds to Beneficial Owners of the Notes.

General

The attention of Beneficial Owners of the Notes is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "*Voting and Quorum*" below. Having regard to such requirements, Beneficial Owners of the Notes are strongly urged either to submit valid Consent Instructions in accordance with the Consent Solicitation Memorandum, the Terms and Conditions, the Meeting Provisions and the Agency Agreement or to attend or to take steps to be duly represented at the Meeting, as referred to below, as soon as possible.

In accordance with normal practice, none of the Solicitation Agents, the Information and Tabulation Agent or the Paying Agents expresses any view as to the merits of the Proposal or the Extraordinary Resolution. None of the Solicitation Agents, the Information and Tabulation Agent or the Paying Agents has been involved in negotiating the Proposal or the Extraordinary Resolution or makes any representation that all

relevant information has been disclosed to the Beneficial Owners of the Notes in or pursuant to the Consent Solicitation Memorandum and the Notice of Meeting. Furthermore, none of the Solicitation Agents, the Information and Tabulation Agent or the Paying Agents makes any assessment of the impact of the Proposal presented to Beneficial Owners of the Notes in the Consent Solicitation Memorandum on the interests of the Beneficial Owners of the Notes or makes any recommendations on the Consent Solicitation relating to the Notes or whether agreement to the Proposal should be made. Accordingly, Beneficial Owners of the Notes who are unsure of the impact of the Proposal and the Extraordinary Resolution should seek their own financial, legal and tax advice.

Beneficial Owners of the Notes wishing to attend in person have the right to attend in accordance with the provisions set out in the Consent Solicitation Memorandum and the Meeting Provisions.

Euroclear/Clearstream Direct Participants, by submission of Electronic Voting Instructions, authorise such Clearing System to disclose their identity to the Issuer, Barclays Bank PLC, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank (together, the “**Solicitation Agents**”), the Principal Paying Agent, the DTC Paying Agent, the Information and Tabulation Agent and the Registrar (and their respective legal advisers).

Only Direct Participants may submit or deliver Electronic Voting Instructions or a Form of Sub-Proxy (as applicable). Noteholders whose Notes are held on their behalf by a broker, dealer, commercial bank, custodian, trust company or accountholder must contact and request such broker, dealer, commercial bank, custodian, trust company or accountholder to effect the relevant Electronic Voting Instructions or a Form of Sub-Proxy (as applicable) on their behalf sufficiently in advance of 5:00 p.m. (CET) on 8 March 2019 (the “**Voting Deadline**”) (or sufficiently in advance of the Consent Fee Deadline in order to be eligible for the Consent Fee) in order for such Electronic Voting Instructions or Form of Sub-Proxy (as applicable) to be delivered in accordance with any deadlines as described in the Consent Solicitation Memorandum.

If Electronic Voting Instructions or Forms of Sub-Proxy (as applicable) are not received from or on behalf of a Noteholder in accordance with the voting instructions set out herein (and such Noteholder does not otherwise make arrangements to vote at the Meeting or to attend in person by appointing a proxy also in advance of the Voting Deadline), such Noteholder will be deemed to have declined to vote in respect of the Extraordinary Resolution.

Voting and Quorum

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Noteholders*) of the Agency Agreement, a copy of which is available for inspection as referred to above. A Beneficial Owner of the Notes who has delivered or procured the delivery of a Consent Instruction (as defined in the Consent Solicitation Memorandum) need take no further action. Beneficial Owners of the Notes who have not submitted or have submitted and subsequently revoked (in the limited circumstances in which such revocation is permitted) a Consent Instruction should take note of the provisions set out below detailing how such Beneficial Owners of the Notes can attend or take steps to be represented at the relevant Meeting (references to which, for the purpose of such provisions, include, unless the context otherwise requires, any meeting held following any adjournment of the relevant Meeting).

(A) For Notes held through Euroclear or Clearstream, Luxembourg

This paragraph (A) only applies to Notes held through Euroclear or Clearstream, Luxembourg

IMPORTANT: The Notes (except for the 2023 DTC Notes) are currently represented by a global certificate registered in the name of a nominee of The Bank of New York Mellon, London Branch as common depository (the “**Common Depository**”) of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**” and, together with Euroclear, the “**Clearing Systems**” and each a “**Clearing System**”). Only persons shown in the records of Euroclear, Clearstream, Luxembourg or their respective account holders as a holder of the Notes (“**Euroclear/Clearstream Direct Participants**”) may

deliver Consent Instructions or be issued with a voting certificate or otherwise give voting instructions in accordance with the procedures described below.

- (1) Any Euroclear/Clearstream Direct Participant which is a corporation may by delivering to the Principal Paying Agent not later than 48 hours before the time fixed for the Meeting (or an adjourned Meeting) a resolution of its directors or other governing body authorise any person to act as its representative (a “**representative**”) in connection with the Meeting (or an adjourned Meeting).
- (2) Beneficial Owners or their Euroclear/Clearstream Direct Participants may procure the delivery of a voting certificate in respect of the Notes by giving notice to the relevant Clearing System specifying by name a person (an “**Identified Person**”) (which need not be the holder himself) to collect the voting certificate and attend and vote at the Meeting. The voting certificate will be made available at or shortly before the start of the meeting by the Principal Paying Agent against presentation by the Identified Person of the form of identification previously notified by the holder to the relevant Clearing System. The relevant Clearing System may prescribe forms of identification (including, without limitation, passports) which it considers appropriate for these purposes. Subject to receipt by the Principal Paying Agent from the relevant Clearing System, no later than 24 hours before the time for which the Meeting is convened, of notification of the nominal amount of the Notes to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Principal Paying Agent shall, without any obligation to make further enquiry, make available voting certificates against presentation of forms of identification corresponding to those notified.
- (3) Beneficial Owners or their Euroclear/Clearstream Direct Participants must have made arrangements to vote with the relevant Clearing System by not later than 48 hours before the time fixed for the Meeting and within the relevant time limit specified by the relevant Clearing System (who may set a significantly earlier deadline) and request or make arrangements for the relevant Clearing System to block the Notes in the relevant Euroclear/Clearstream Direct Participant’s account and to hold the same to the order or under the control of the Principal Paying Agent.
- (4) Any Note(s) so held and blocked will not be released to the Euroclear/Clearstream Direct Participant, until the earlier of (a) the conclusion of the relevant Meeting or, as the case may be, adjourned Meeting and (b) the giving of a valid Revocation Instruction (in the limited circumstances in which a Revocation Instruction may be given) and such Note(s) ceasing in accordance with the procedures of Euroclear or Clearstream, as applicable, to be held to its order or under its control.
- (5) A Euroclear/Clearstream Direct Participant whose Notes have been blocked in its account with Euroclear or Clearstream, Luxembourg, as applicable, may thereby require the Principal Paying Agent to issue a block voting instruction in respect of the Notes by first instructing the relevant Clearing System to procure that the vote(s) attributable to the Note(s) which are the subject of such block voting instruction should be cast at the Meeting in a particular way (either in favour of or against) in relation to the Extraordinary Resolution, or to abstain from voting, in respect of the Notes. Any such instruction shall be given in accordance with the rules of the relevant Clearing System then in effect. Subject to receipt by the Principal Paying Agent, no later than 24 hours before the time for which the meeting is convened, of (i) instructions from the relevant Clearing System, (ii) notification of the nominal amount of the Notes in respect of which instructions have been given and (iii) the manner in which the vote(s) attributable to such Notes should be cast, the Principal Paying Agent shall, without any obligation to make further enquiry, attend the meeting and cast votes in accordance with those instructions.
- (6) Each block voting instruction shall be deposited by the Principal Paying Agent at the place specified by the Principal Paying Agent for the purpose not less than 24 hours before the time appointed for holding the Meeting at which the proxies named in the block voting instruction propose to vote, and in

default the block voting instruction shall not be treated as valid unless the Chairman of the Meeting decides otherwise before the Meeting proceeds to business. A copy of each block voting instruction shall (if so requested by the Issuer) be deposited with the Issuer before the start of the Meeting but the Issuer shall not as a result be obliged to investigate or be concerned with the validity of or the authority of the proxies named in the block voting instruction.

- (7) Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the instructions of the relevant Euroclear/Clearstream Direct Participants or the relevant Clearing System (as the case may be) pursuant to which it was executed provided that no indication in writing of any revocation or amendment has been received from the Principal Paying Agent by the Issuer at its registered office by the time being 24 hours before the time appointed for holding the Meeting at which the block voting instruction is to be used.
- (8) The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the Meeting or adjourned Meeting be deemed to be the holder of the Notes to which the voting certificate or block voting instruction relates and the Principal Paying Agent with which the Notes have been deposited or the person holding the Notes to the order or under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those Notes.

(B) For Notes held through DTC

This paragraph (B) only applies to Notes held through DTC.

IMPORTANT: The 2023 DTC Notes are currently represented by a registered global security registered in the name of Cede & Co. as Registered Holder (the “**Registered Holder**”). Only persons shown in the records of DTC or DTC’s participants (“**DTC Direct Participants**”) may deliver Consent Instructions in accordance with the procedures described below.

- (1) The procedures under this paragraph assume that in accordance with its usual procedures, DTC will appoint the DTC Direct Participants as at 27 February 2019 (the “**Record Date**”) as its proxies under an omnibus proxy (the “**Omnibus Proxy**”) in respect of the principal amount of the Notes shown on its records as being held by them on the Record Date (in each case, their “**Recorded Principal Amount**”).

DTC Direct Participants

- (2) DTC Direct Participants may, in respect of their Recorded Principal Amount, either (i) attend and vote at the Meeting if they are individuals or (ii) appoint any employee of the Information and Tabulation Agent (nominated by the Information and Tabulation Agent) as their sub-proxy to attend and cast their votes at the Meeting in a particular way on their behalf or (iii) appoint any other person (including Beneficial Owners of the Notes) as sub-proxies (each, together with the sub-proxy referred to in subparagraph (ii), a “**Sub-Proxy**”), to attend and vote at the Meeting on their behalf, in the case of (ii) and (iii) by an instrument in writing in the form available from the Information and Tabulation Agent (which form is also contained in the Annex to this Notice), and signed by such DTC Direct Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation which should be medallion guaranteed as described in the form of sub-proxy and the Consent Solicitation Memorandum and then delivered to the Information and Tabulation Agent at the address set out in the Consent Solicitation Memorandum, not later than 48 hours before the time fixed for the Meeting (or, in order to be eligible for the Consent Fee, not later than the Consent Fee Deadline).

Beneficial Owners

- (3) A Beneficial Owner who is not a DTC Direct Participant and who does not wish to attend the Meeting may arrange for the votes relating to the Notes of which he is a Beneficial Owner to be cast at the Meeting by requesting the DTC Direct Participant through whom he holds his Notes to issue a form of sub-proxy, as described in paragraph (2) above, to a third person (including the Information and Tabulation Agent) to attend and vote at the Meeting in accordance with the Beneficial Owner's instructions, *provided that* the Notes in respect of which the form of sub-proxy is to be given are Notes in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date. Such person must produce the form of sub-proxy to the Meeting.
- (4) A Beneficial Owner who is (a) not a DTC Direct Participant and who wishes to attend and vote at the Meeting in person or (b) the representative of a DTC Direct Participant who is not an individual but who wishes its representative to attend and vote at the Meeting in person must produce to the Meeting a form of sub-proxy issued by the DTC Direct Participant through whom he holds Notes appointing him as a Sub-Proxy, *provided that* the Notes in respect of which the sub-proxy is to be given are Notes in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date.
- (5) Beneficial Owners should contact the DTC Direct Participant through whom they hold their Notes in sufficient time to enable votes to be cast on their behalf and Sub-Proxies to be appointed.

DTC Direct Participants or Beneficial Owners should direct any questions regarding appointing proxies or the voting procedures to the Information and Tabulation Agent.

Forms of sub-proxy

- (6) Sub-proxies may be appointed using the form of sub-proxy available from the Information and Tabulation Agent at its offices specified below. Duly completed forms of sub-proxy must be delivered to and received by the Information and Tabulation Agent at least 48 hours before the time fixed for the Meeting (or, in order to be eligible for the Consent Fee, not later than the Consent Fee Deadline), which may only be revoked upon the giving of a valid Revocation Instruction (in the limited circumstances in which a Revocation Instruction may be given) and may not be revoked in any circumstances later than 24 hours or 48 hours prior to the Meeting as applicable pursuant to the terms of the Agency Agreement.
- (7) In respect of the Notes, only those DTC Direct Participants shown in DTC's records on the Record Date as holding the Recorded Principal Amount will be entitled to vote on the Extraordinary Resolution or appoint Sub-Proxies to do so and shall remain so entitled notwithstanding any transfer of such holders of Notes after the Record Date, *provided that* votes submitted by any one DTC Direct Participant and any Sub-Proxies appointed by it shall not exceed the holding of such DTC Direct Participant as evidenced by the Omnibus Proxy issued as of such Record Date. **In the event that such votes do exceed the holding of such DTC Direct Participant (alone or when aggregated with any Sub-Proxy previously issued by the DTC Direct Participant and not validly withdrawn), any Sub-Proxy appointed by it which exceeds such holding shall be invalid and any Consent Fee which may otherwise have been payable will not be paid. Transferees of the Notes after the Record Date will not be entitled to vote on the Extraordinary Resolution. Only a Beneficial Owner who procures that its DTC Direct Participant appoints the Information and Tabulation Agent (or one of more of its employees nominated by it) as Sub-Proxy will be entitled to the Consent Fee.**

(C) General

- (1) The Meeting of the holders of Notes shall be entitled to pass the Extraordinary Resolution if one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the

time being outstanding are present, and the Extraordinary Resolution shall be passed if a majority of not less than three-fourths of the votes cast at the Meeting are in favour of the Extraordinary Resolution. In the case that one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding are not present within 15 minutes (or such longer period not exceeding 30 minutes as the chairman of the relevant Meeting may decide) from the time initially fixed for the Meeting, an adjourned Meeting in respect of the Notes will be convened to be held on 29 March 2019 at 10:30 a.m. (Hong Kong time) and will be validly constituted if a person or persons holding or representing any of the aggregate principal amount of the outstanding Notes is or are present at the adjourned Meeting and the Extraordinary Resolution shall be passed if a majority of not less than three-fourths of the votes cast at the adjourned Meeting are in favour of the Extraordinary Resolution.

For the purposes of determining whether the requisites of quorum and majority of votes referred to above are complied with, the Information and Tabulation Agent will attend and vote at the relevant Meeting in accordance with the Consent Instructions delivered by the Beneficial Owners of the Notes in the manner contemplated in the Consent Solicitation Memorandum as well as the Meeting Provisions.

If a quorum is not present within 15 minutes (or such longer period not exceeding 30 minutes as the chairman of the relevant adjourned Meeting may decide) at any adjourned Meeting, such adjourned Meeting shall be dissolved.

- (2) If passed, the Extraordinary Resolution shall be deemed effective immediately prior to the Proposed Transfer Completion Event, provided that (i) the Minutes of the Meeting at which the Extraordinary Resolution was passed has been signed by the Chairman and (ii) the Consent Conditions are fulfilled. The Extraordinary Resolution once passed and effective will be binding on the holder of Notes and all Beneficial Owners of the Notes whether or not represented at the Meeting and whether or not voting.
- (3) This notice and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law. By submitting a Consent Instruction or any other instruction including requesting the issue of a sub-proxy a Beneficial Owner of the Notes irrevocably and unconditionally agrees for the benefit of the Issuer, the Solicitation Agents, the Information and Tabulation Agent and the Paying Agents that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Consent Solicitation or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.
- (4) Euroclear/Clearstream Direct Participants, DTC Direct Participants and Beneficial Owners of the Notes whose Notes are held by Clearstream, Luxembourg or Euroclear or DTC (as applicable) should contact the Information and Tabulation Agent.

The Information and Tabulation Agent with respect to the Proposal is:

D.F. KING

Website: <https://sites.dfkingltd.com/rec>

Email: rec@dfkingltd.com

In London:

125 Wood Street

London EC2V 7AN

United Kingdom

Tel: +44 20 7920 9700

In Hong Kong:

Suite 1601, 16/F, Central Tower
28 Queen's Road Central
Hong Kong
Telephone: +852 3953 7230

In New York:

48 Wall Street – 22nd floor
New York, NY 10005
Attention: Andrew Beck

Toll-Free: +1 (800) 549-6864
Banks and Brokers: +1 (212) 269-5550
By Facsimile: +1 (212) 709-3328
Confirmation: +1 (212) 269-5552

The Solicitation Agents with respect to the Proposal are as follows:

BARCLAYS BANK PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

In Hong Kong: +852 2903 3266
In London: +44 20 3134 8515
U.S. Toll-free: +1 (800) 438-3242
U.S. Collect: +1 (212) 528-6581

Attention: Liability Management Group
Email: liability.management@barclays.com

CITIGROUP GLOBAL MARKETS LIMITED

Citigroup Centre
Canada Square
Canary Wharf
London, E14 5LB
United Kingdom

In Hong Kong: +852 2501 2693
In London: +44 20 7986 9000
In New York: +1 212 723 6106

Attention: Liability Management
Email: liabilitymanagement.asia@citi.com

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

Attention: Liability Management Group
Tel: +852 2822 4100 / +44 20 7992 6237
Email: liability.management@hsbcib.com

STANDARD CHARTERED BANK

8 Marina Boulevard
Level 20, Marina Bay Financial
Centre Tower 1
Singapore 018981

Attention: Liability Management
Tel: +65 6596 8807
Email: liability_management@sc.com

The Principal Paying Agent with respect to the Notes (except for the 2023 DTC Notes) is:

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

The DTC Paying Agent with respect to the 2023 DTC Notes is:

The Bank of New York Mellon

240 Greenwich Street
New York, NY 10286
USA

Investor Relations

REC Limited (formerly known as Rural Electrification Corporation Limited)

Attention: Sanjay Kumar, General Manager (Finance)
Tel: +91 11 4309 1616 / +91 11 4309 1670
Email: sanjayk@recl.in; supreetpandya@recl.in

This notice is given by:

REC Limited (formerly known as Rural Electrification Corporation Limited)

20 February 2019

ANNEX
Form of Sub-Proxy

REC Limited (formerly known as Rural Electrification Corporation Limited) (the “Issuer”)
for use in connection with a meeting of the holders of the Issuer’s outstanding

U.S.\$700,000,000 5.250% Notes due 2023

(Rule 144A Registered Global Note – ISIN: US74947LAA26; CUSIP: 74947LAA2; Common Code: 190259978)
(the “2023 Notes”)

(To be completed by a DTC Direct Participant only)

This form of sub-proxy should be completed and signed by a duly appointed attorney or a duly authorised officer of the direct participant of DTC (the “DTC Direct Participant”) who was the holder of certain Notes as of 27 February 2019 (the “Record Date”) and who is named in the omnibus proxy (the “Omnibus Proxy”) that was issued by DTC on the Record Date and lodged with D.F. King (the “Information and Tabulation Agent”) acting in its capacity as an information and tabulation agent in respect of the meeting by sending a pdf version of this Form of Sub-Proxy by email to rec@dfkingltd.com followed by a copy by mail, hand delivered or overnight courier to 48 Wall Street, 22nd floor, New York, New York 10005 marked for the attention of Andrew Beck (toll-free number: +1 (800) 549-6864; telephone: +1 (212) 269-5550; fax: +1 (212) 709-3328; confirmation: +1 (212) 269-5552 not later than 5:00 p.m. (CET) at or prior to the Voting Deadline on 8 March 2019 (or at or prior to the Consent Fee Deadline (5:00 p.m. (CET) on 1 March 2019) in order to be eligible to receive the Consent Fees) and to appoint the Information and Tabulation Agent, the relevant Beneficial Owner, or another nominee as a sub-proxy, to attend and vote at the Meeting or adjourned Meeting. The Information and Tabulation Agent shall provide a copy of the Form of Sub-Proxy to the registrar appointed in respect of the Notes.

If this Form of Sub-Proxy is delivered in advance of the Record Date, please indicate the expected principal amount of such Notes as at the Record Date on the assumption that such Notes will still be held by the DTC Participant on behalf of the Noteholder as at the Record Date. Kindly note that the DTC Participant will be responsible for either (a) ensuring that the indicate amount is kept on their account until the Record Date or (b) submitting an amended Form of Sub-Proxy for the correct amount if the position does change.

We hereby certify that:

- (1) The total principal amount of Notes held by the DTC Participant specified below on 27 February 2019, being the Record Date, in respect of which the votes attributable to them should be cast are:

	CUSIP: 74947LAA2 / ISIN: US74947LAA26
Principal Amount of Notes:	U.S.\$

- (2) We appoint:

Tick only ONE of the boxes below

- ☐ the Information and Tabulation Agent; (tick box if appropriate) or
☐ the following individual (tick box if appropriate and fill in the details immediately below)

(Name):

(Address):

(Passport number / Driving licence number):

(Issuing State):

or failing him:

(Name): (“**Alternate 1**”)

(Address):

(Passport number / Driving licence number):

(Issuing State):

or failing Alternate 1:

the Information and Tabulation Agent,

to act as our sub-proxy in respect of the Notes described above and to attend the Meeting on our behalf and we wish our sub-proxy to:

Tick only ONE of the boxes below.

- ☐ VOTE IN FAVOUR OF THE EXTRAORDINARY RESOLUTION
☐ VOTE AGAINST THE EXTRAORDINARY RESOLUTION
☐ ABSTAIN FROM VOTING
☐ VOTE AT THEIR DISCRETION (this option is not available if the Information and Tabulation Agent is being appointed)

- (3) No other person has been appointed as a sub-proxy in respect of the above Notes and no voting instruction has been given in relation to such Notes.
- (4) Having submitted the Form of Sub-Proxy before the Consent Fee Deadline, appointed the Information and Tabulation Agent as our sub-proxy and selected “IN FAVOUR OF” in the above paragraph, we hereby include our account details for the payment of any Consent Fee for which we may be eligible.

Account Name: _____

Account Number: _____

Swift Code of Correspondent Bank: _____

Name of Correspondent Bank: _____

Address of Correspondent Bank: _____

ABA: _____

Contact details of relevant DTC Direct Participant for Queries:

Capitalised terms used but not defined in this form of sub-proxy shall have the meanings given to them in the Notice of Meeting in respect of the Notes dated 20 February 2019.

Signed by a duly authorised officer on behalf of the DTC Direct Participant

Name of DTC Direct Participant: _____

Date: _____

Authorised Signature of Guarantor:

Name:

(please print)

Name of Firm:

Address:

Telephone Number with Area Code:

Place MEDALLION SIGNATURE GUARANTEE here

SPECIAL PAYMENT INSTRUCTIONS

To be completed ONLY if the wire transfer(s) or check(s) for the applicable Consent Fee is (are) to be issued in the name of someone OTHER than the person(s) whose signature(s) appear(s) within this Form of Sub-Proxy

Issue check in the name of:

Name: _____
(please type or print)

Address: _____

(include zip code)

(tax indemnification or social security number)

Wire Transfer Instructions
(Please print)

Bank Name: _____

Bank Location: _____

ABA Number: _____

Account Number: _____

Checking Account Number: _____

For Further Credit Number: _____

Re: _____

SPECIAL DELIVERY INSTRUCTIONS

To be completed ONLY if the check(s) for the applicable Consent Fee is (are) to be sent to addresses OTHER than that shown in this Form of Sub-Proxy

Name: _____
(please type or print)

Address: _____

(include zip code)