

**THIS DOCUMENT, WHICH CONTAINS THE NOTICE OF THE COMPANY'S ANNUAL GENERAL MEETING, IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is 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 financial adviser.**

If you have sold or otherwise transferred all your shares in Babcock International Group PLC, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach the Company's registrars no later than 11:00 am on Tuesday 28 July 2015. Alternatively, you can vote online at [www.babcock-shares.com](http://www.babcock-shares.com) or, if you are a member of CREST, you can register your vote electronically by using the service provided by Euroclear. Further details are provided in the Important Information for Shareholders section on pages 4 and 5 of this document. Completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the 2015 Annual General Meeting of the members of Babcock International Group PLC ('the Company') will be held at Grosvenor House Hotel, Park Lane, London W1K 7TN on Thursday 30 July 2015 at 11:00 am to consider and, if thought fit, to pass the following Resolutions. It is intended to propose Resolutions 22 to 24 as special resolutions. All other Resolutions will be proposed as ordinary resolutions. Voting on all Resolutions will be by way of a poll.

### Ordinary Resolutions

#### Report and Accounts

1. To receive the audited financial statements of the Group and the Company for the year ended 31 March 2015, together with the Directors' report, the Directors' Remuneration Report and the Auditors' Report on those accounts and on the auditable part of the Directors' Remuneration Report.

#### Annual Report on Remuneration

2. To approve the Annual Statement of the Remuneration Committee Chairman and the Annual Report on Remuneration set out on pages 86 to 87 and 98 to 118 respectively of the Company's Annual Report for the year ended 31 March 2015.

#### Final Dividend

3. To declare a final dividend for the year ended 31 March 2015 of 18.1p per ordinary share in the capital of the Company.

#### Directors

- 4.



**(A) to ordinary shareholders in proportion (as nearly as may be practicable) to their holdings; and**

### Important Information for Shareholders

1. Explanations of the Resolutions are given in the Explanatory Notes to the Resolutions on pages 5 to 8 of this document.
2. Members 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 meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. Your proxy will vote as you instruct and must attend the Annual General Meeting for your vote to be counted. Completion and submission of a proxy form will not preclude a member from attending and voting in person at the Annual General Meeting.
3. To be valid, the proxy form (together with 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, by hand or by courier by the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by 11:00 am on Tuesday 28 July 2015.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 ('the 2006 Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. A Nominated Person does not have the right of a member to appoint a proxy.
5. Copies of the following documents are available for inspection at the Company's registered office during normal business hours until the date of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting:
  - (a) terms of appointment under which the Non-Executive Directors of the Company are engaged;
  - (b) Executive Directors' service agreements; and
  - (c) the Rules of the Babcock Employee Share Plan – International.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and section 360B of the 2006 Act, only those shareholders entered on the register of members of the Company at 6:00 pm on 28 July 2015 or, in the event that the meeting is adjourned, on the register of members of the Company at 6:00 pm on the day two days (excluding any part of a day that is not a working day) before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes to the entries on the register of members after this time shall be disregarded in determining the rights of any person to attend and vote at the meeting or any adjourned meeting.
7. As at 9 June 2015 (being the last practicable day prior to the publication of this notice) the Company's issued share capital consisted of 504,196,597 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date were 504,196,597.
8. A corporate shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that no more than one corporate representative exercises powers over the same share.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting or any adjournment(s) thereof by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11:00 am, on Tuesday 28 July 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.





**Free Shares**

Up to £3,600 (or the local currency equivalent) worth of Free Share Awards can be granted to each employee every year. A Free Share Award can, if the Company so chooses, be subject to the satisfaction of a performance target which measures the objective success of the individual, team, division or business.

#### Disapplication of Pre-emption Rights

Resolution 22: The Directors also require additional authority from shareholders to allot shares or grant rights over shares or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. Resolution 22 will be proposed as a special resolution to grant such authority. Apart from offers or invitations in proportion to the respective number of shares held, the authority will be limited to the issue of shares and sales of treasury shares for cash up to a maximum aggregate nominal value of £30,251,795 (being a maximum of 10% of the Company's issued ordinary share capital as at 9 June 2015). If given, this authority will expire at the Annual General Meeting in 2016 (or, if earlier, the close of business on 30 September 2016).

This Resolution seeks authority over a maximum of 10% of the Company's total issued ordinary share capital rather than 5% as in previous years, following changes to the Pre-Emption Group's Statement of Principles in March 2015. The Company will have regard to the Pre-Emption Group's Statement of Principles in relation to any exercise of this authority, and not allot shares for cash on a non-pre-emptive basis in excess of an amount equal to:

- (i) 5% of the total issued ordinary share capital of the Company (excluding treasury shares) in any one year; or
- (ii) 7.5% of the total issued ordinary share capital of the Company (excluding treasury shares) in any rolling three-year period without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

With the exception of issues, if necessary, of further shares under the Company's executive or employee share schemes,