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Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms (as defined below) for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Final Terms/Drawdown Prospectus

Each Tranche of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the " ") as completed to the extent described by a document

'), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain

any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).

The Notes will be issued in Series. Each Series may be issued in one or more Tranches on the same or different issue dates. The

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

According to the Issuer's assessment, the following factors may affect the Issuer's ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. According to the Issuer's assessment, the factors described below in this "Risk Factors" section represent the material/principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may

loss of significant existing revenue and profit stream. If the Babcock Group fails to realise pipeline opportunities, particularly having invested time and money in the bidding process, there could be a material adverse effect on the business, financial condition, results of operations and prospects of the Babcock Group. The Babcock Group may also experience a lack of success in exporting its business model outside the UK, which may materially impact its growth and strategic prospects. Geopolitical factors, for example, the terms of the UK's exit from the EU, could lead to significant tensions between trading countries.

The Babcock Group's businesses depend on its ability to attract, train and retain senior management and highly skilled employees.

The Babcock Group's success depends on the continued service and performance of its senior management and highly skilled employees. 13-

The Babcock Group enters into contracts which may be multi-year, fixed price and/or carry strict performance conditions, which could subject them to losses in the event that costs increase but cannot be recovered, or performance conditions are not satisfied

Members of the Babcock Group enter into contracts which may be multi-year, fixed price and/or carry strict performance conditions

Multi-year and fixed price contracts expose the Babcock Group to the risks of:

increases in costs attributable to such contracts beyond those anticipated and provided for within such contracts at the time they are entered into;

being bound to perform onerous contract as a result of inaccurate pricing and forecasting and

increases in costs that are not met through corresponding attributable increases in revenues from such contracts,

unless and to the extent that such increases are taken into account in periodic benchmarking and/or market testing where included in such contracts.

In addition, certain contracts contain strict performance conditions, which must be adhered to throughout the life of the contract. Failure to meet the performance criteria of a contract could result in:

the cancellation of a contract, claims for loss, or compensation arrangements under the contract being triggered;

reputational damage; and

an adverse effect on the ability to win any future rebids for work.

The Babcock Group also enters into contracts with 'Target Cost Incentive Fees'. Where these mechanisms are used, failure to deliver a project for the agreed 'Target Cost' may result in lower margins being earned by the Babcock Group in respect of that project.

Such increased costs, lower returns and economic, reputational and other impacts could materially adversely affect the business, financial condition, results of operations and prospects of the Babcock Group.

The Babcock Group depends on a limited number of third-party suppliers and subcontractor services

The Babcock Group relies on specialist suppliers for certain assets, products and components and, for some of those, solely on a single supplier (for example, a majority of the helicopters deployed by the Aviation sector are provided by a small number of manufacturers). These assets, products and components are typically made to order and would not be easily replaced should the supplier fail to deliver the products. In addition, the Babcock Group is generally subject to specific procurement requirements, which may, in effect, limit the suppliers which the Babcock Group may utilise. At times of high demand, these suppliers could experience backlogs in their manufacturing schedules and some components may be in limited supply from time to time.

The Babcock Group may also be subject to adverse impacts from unusually high price increases that are greater than overall inflationary trends. The Babcock Group might not be able to increase its contract rates to pass through the increased costs to its customers. An unusually high increase in the price of parts or components that cannot be fully passed on to its customers could have a material adverse effect on the Babcock Group's business, financial condition or results of operations.

Additionally, the insolvency of, or dispute with, any of these suppliers could therefore lead to a significant disruption to the businesses of the Babcock Group. Failure or significant delay by these

The Babcock Group's operations, which include (i) the fuelling and de-fuelling of nuclear power stations and nuclear powered submarines, (ii) the lifting of nuclear powered submarines into dry docks, (iii) the movement of nuclear weapons, (iv) the handling, use, disposal and transportation of hazardous and radioactive materials, (v) the storage of laid up nuclear powered submarines, and hazardous and radioactive materials and (vi) the decommissioning and decontamination of nuclear power stations, nuclear powered submarines and nuclear weapons, use and generate radioactive and hazardous substances that can seriously impact the health and safety of the public, the Babcock Group's employees and the environment. There are particular risks associated with the servicing, maintenance and decommissioning of nuclear power stations and nuclear-powered submarines and the handling of nuclear weapons. These include accidents, the breakdown or failure of equipment or processes or human performance, including the Babcock Group's safety controls, and other catastrophic events, such as fire and flood, that could result in the dispersal of radioactive material over large areas, thereby causing injury or loss of life and extensive property or environmental damage. Certain of these events, including those arising as a result of third party acts, such as acts of terrorism or war, are not within the Babcock Group's control. The liabilities which the Babcock Group may incur, and interruptions in the operation of the nuclear power stations or naval bases caused by these events or associated with any of the

Accounting: The liabilities of the defined benefit schemes are calculated using the accounting valuation basis for the purposes of determining the

future debt financing that the Babcock Group obtains may impose additional restrictions on financing and operating activities.

The Babcock Group's existing level of indebtedness and the covenants which apply to it may have important consequences, including

causing the Babcock Group to reprioritise the uses to which its capital is put to the potential detriment of the Babcock Group's business needs, which, depending on the level of the Babcock Group's borrowings, prevailing interest rates and exchange rate fluctuations, could result in reduced funds being available for expansion, dividend payments and other general

Failure to comply with qualification to bid criteria, procurement rules and regulations (which can change) could result in reductions in the number or values of contracts to be awarded to the Babcock Group, the Babcock Group not being allowed to participate in future tenders, or contract modifications or terminations, any or all of which could have an adverse effect on the financial condition and results of operations of the Babcock Group. Failure to comply with these rules and regulations could lead to members of the Babcock Group being unable to contract with the public sector body concerned either at all or for a period

The Babcock Group is subject to extensive and increasingly stringent regulations which may increase costs and, in the event of a breach of such regulations, result in reputational damage, sanctions or the inability to continue to conduct certain lines of business. Following the UK vote to leave the European Union, the terms of British exit will have implications on the requirements or regulations that are applicable to the business of the Babcock Group, including where a licence to operate in the European Union is required

In each of the jurisdictions in which the Babcock Group operates, it has to comply with laws, regulations and administrative policies which relate to, among other matters, business and operating licensing regimes, health and safety, employment (including pensions), the environment, anti-bribery, anti-corruption, banking and tax. Each aspect of the regulatory environment in which the Babcock Group operates is subject to change, which may be retrospective.

The Babcock Group's civil and defence-related nuclear, helicopter and aircraft businesses are subject to a high degree of international, European and UK government regulation. This framework governs operational standards as well as commercial activity. The Aviation sector (along with other parts of the Babcock Group) is subject to regulations in respect of (i) airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as the certification of design and production organisations, (ii) the continuing airworthiness of aircraft and aeronautical products, parts, and appliances and on the approval of

The ability of the Babcock Group to deliver secure IT and other information assurance systems designed to protect personal data or customer or company confidential information is a key factor for customers. Despite controls to ensure the confidentiality of such information, the Babcock Group may breach restrictions or may be subject to attack from computer programmes or malicious or hostile third parties that attempt to penetrate the network security and misappropriate confidential information. Due to advances in these programmes, IT capabilities and other developments, there is no guarantee that the Babcock Group's security measures will be sufficient

indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past and may have other consequences which cannot be predicted. If LIBOR or EURIBOR were discontinued or otherwise unavailable, this could require an adjustment to the conditions of, or result in other consequences in respect of, any Notes which reference LIBOR or EURIBOR. Any such consequences could have an adverse effect on the value or liquidity of, and return on, any such Notes.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable.

If the circumstances described in the preceding paragraph occur, such fallback arrangements will include the possibility that:

- (A) the relevant rate of interest (or, as applicable, the relevant component part thereof) could be determined by reference to a Successor Rate or an Alternative Reference Rate (as applicable) determined by an Independent Adviser; and
- (B) such Successor Rate or Alternative Reference Rate (as applicable) may be adjusted (if required) by the relevant Independent Adviser in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark.

In addition, the relevant Independent Adviser may also determine that other changes to the Conditions of the Notes are necessary in order to follow market practice in relation to the relevant Successor Rate or Alternative Reference Rate (as applicable).

No consent of the Noteholders shall be required in connection with effecting any relevant Successor Rate or Alternative Reference Rate (as applicable) or any other related adjustments and/or amendments described above.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have Ee

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attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes and the Trust Deed also provide that the Trustee may, without the consent of Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine that any Potential Event of Default (as defined in the Trust Deed) or Event of Default shall not be treated as such or (iii) agree to the substitution of any holding company of the Issuer, Subsidiary of the Issuer or successor in business of the Issuer as the principal debtor in relation to the Notes and Coupons of any Series, in the circumstances described in the Trust Deed and the Conditions of the Notes, in the case of (i), (ii) and (iii), the Trustee is of the opinion that to do so would not be materially prejudicial to the interests of Noteholders.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be admitted to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquid

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

If an investor holds Notes which are not denominated in the investor's home currency, such investor will be exposed to movements in exchange rates adversely affecting the value of such investor's holding. In addition, the im

apply in certain circumstances). If the status of the rating agency rating the Notes changes, European (including UK) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including UK) regulated investors selling the Notes which may impact the value of the Notes and any securities guaranteed by the issuer.

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and which have been approved by the FCA or filed with it, shall be deemed to be incorporated in, and form part of, this Base Prospectus:

the trading update published by Babcock International Group PLC on 4 August 2020 (the "Trading Update");

audited consolidated annual financial statements as of 31 March 2020 and prepared in accordance with IFRS, together with the accompanying notes and auditor's reports, contained in the annual report of the Issuer for the year ended 31 March 2020 (and set out on pages 146 to 221 of the 2020 annual report of the Issuer);

audited consolidated annual financial statements as of 31 March 2019 and prepared in accordance with IFRS, together with the accompanying notes and auditor's reports, contained in the annual report of the Issuer for the year ended 31 March 2019 (and set out on pages 142 to 207 of the 2019 annual report of the Issuer); and

the terms and conditions set out on pages 33 to 61, 32 to 59, 35 to 63, 37 to 67 and 38 to 68 of the base prospectuses dated 18 September 2015, 19 September 2016, 7 September 2017, 6 September 2018, and 2 July 2019 respectively, relating to the Programme under the heading "Terms and Conditions of the Notes".

This section provides further information relating to the Key Performance Indicators which are alternative performance measures ("APMs") for the purposes of the guidelines (the "Guidelines") published by ESMA. Certain of the financial measures included in "Information on the Babcock Group" below can be characterised as APMs. The Issuer sets out below further clarifications as to the meaning of such measures (and any associated terms), tables which illustrate the basis for their calculation and provides comparative data for such measures for previous financial periods.

Babcock believes that the presentation of these APMs is helpful to investors because these and other similar measures are used by certain investors as supplemental measures of performance and liquidity. However, these measures are not measures of financial performance under IFRS.

Illustrative tables¹

Revenue growth

	(GBP million)			
Prior year statutory revenue	44748	46826	4547.1	41584
Prior year joint venture revenue	6658	7082	6625	6837

Interest cover

	Excl. IFRS16	Incl. IFRS16			
	(GBP million)				
EBITDA inc joint ventures				687.5	661.0
EBITDA exc JVs inc JV dividends	5426	6956	6068		
Finance costs	61.2	859	627	61.9	604
Finance income	(130)	(130)	(160)	(143)	(114)

Gearing

	Excl. IFRS16	Incl. IFRS16			
	(GBP million)				
Net Debt	(9221)	(1,5949)	(957.7)	(1,1150)	(1,1735)
Shareholders equity	25800	25800	2,8849	2,911.0	2,6922
Retirement benefit (surplus)/deficit	(1452)	(1452)	280	50	1045

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	Excl. IFRS16	Incl. IFRS16			
	(GBP million)				
Net Debt	9221	1,5949	957.7	1,1150	1,1735
Equity and Pensions	2,4048	2,4048	2,9129	2,9160	2,7967

Each Tranche of Notes in bearer form('

') will initially be in the form of either a

Whether or not the Notes are intended to be held in a manner which would allow Eurosystem eligibility will be set out in the relevant Final Terms. Note that the designation 'Yes' in the relevant Final Terms means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Where the designation is specified as 'No' in the relevant Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

If the relevant Final Terms specifies the form of Notes as being 'Individual Note Certificates', then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Registered Note exchangeable for Individual Note Certificates

If the relevant Final Terms specifies the form of Notes as being 'Global Registered Note exchangeable for Individual Note Certificates', then the Notes will initially be represented by one or more Global Registered Notes each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under 'Summary of Provisions Relating to the Notes while in Global Form' below

Clearing System Account Holders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to 'Noteholder' are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depository or a common depository, in th

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the " ") where " " means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (Redemption and Purchase – Redemption at the option of Noteholders) or Condition 9(f) (Redemption and Purchase – Redemption or Purchase on Change of Control) the bearer of a Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under 'Summary of Provisions Relating to the Notes while in Global Form' above.

1.

- (a) Programme: Babcock International Group PLC (the " ") has established a Euro Medium Term Note Programme (the " ") for the issuance of up to £1,800,000,000 in aggregate principal amount of notes (the " ").
- (b) Final Terms

to them Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below

2

(a) Definitions: In these Conditions the following expressions have the following meanings

" "has the meaning given in the relevant Final Terms;

" "means the city or cities specified as such in the relevant Final Terms;

" "means the city or cities specified as such in the relevant Final Terms;

" "means the Issuer and its Subsidiaries;

" "means, in respect of Australian dollars and any specified period, the interest rate benchmark known as the Bank Bill Swap Reference Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ASX Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided by a panel of contributor banks (details of historic BBSW rates can be obtained from the designated distributor);

" "has the meaning given in the relevant Final Terms;

" "means

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

" "in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings

(a) " "means that the relevant date shall be postponed to the first follow o

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Calculation Period falls in a leap year, the sum of

" " is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such n

" "means generally accepted accounting principles in the United Kingdom, including international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the financial statements of the Babcock Group;

" " means a yield calculated in accordance with generally accepted market practice at such time, as advised to t

specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

" " means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

" " means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc;

" " means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) and if specified in the relevant Final Terms, as supplemented by the ISDA Benchmarks Supplement) as published by the International Swaps and Derivatives Association, Inc;

" " has the meaning given in the relevant Final Terms;

" " means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

" " means the principal amount of the Notes to be redeemed multiplied by the price (expressed as a percentage and rounded to four decimal places with 000005 being rounded upwards) at which the Gross Redemption Yield on such Notes on the relevant Calculation Date is equal to (A) the Gross Redemption Yield at the Quotation Time on the relevant Calculation Date of the Reference Security, plus (B) the Make-Whole Redemption Margin, all as determined by the Quotation th

" **"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (Title to Registered Notes);

" **"** means a director of the Issuer or the Issuer's company secretary, from time to time;

" **"** has the meaning given in Condition 9(c) (Redemption at the option of the Issuer);

" **"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

" **"** has the meaning given in the relevant Final Terms;

" **"** has the meaning given in the relevant Final Terms;

" **"** means

(a) **if the currency of payment is euro, any day which is**

- ① **a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and**
- ② **in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or**

(b) **if the currency of payment is not euro, any day which is**

- ① **a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and**
- ② **in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;**

" **"** means any individual, company, corporation, firm, partnership, joint venture, faliya c a

" means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or which is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the

(b) Interpretation: In these Conditions

thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999

- ① Transfers of Registered Notes: Subject to paragraphs ① (Closed periods) and ① (Regulations concerning transfers and registration) below a Registered Note may be**

same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

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(a) Application: This Condition 6 is applicable to the Notes only if

the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period,

if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

- (d) ISDA Determination: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where 'ISDA Rate' in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which
- ① the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final T e t t

- (iv) neither the Trustee nor the Principal Paying Agent shall be required to effect any such Benchmark Amendments if the same would impose, in the Trustee's or, as the case may be, the Principal Paying Agent's opinion, more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it. For the avoidance of doubt, no Noteholder consent or approval shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents, amendments or other steps by the Issuer, the Trustee or the Principal Paying Agent (if required);
- (v) prior to any such Benchmark Amendments taking effect, the Issuer shall provide a certificate signed by two Officers to the Trustee and the Principal Paying Agent confirming, in the Issuer's reasonable opinion (following consultation with the Independent Adviser), (i) that a Benchmark Event has occurred, (ii) the Successor Rate or Alternative Reference Rate (as applicable), (iii) where applicable, any Adjustment Spread determined in accordance with this Condition 7(h), (iv) where applicable, the terms of any Benchmark Amendments determined in accordance with this Condition 7(h) and (v) certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 7(h) and the Trustee and the Principal Paying Agent shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent shall not be liable to the Noteholders or any other person for soading or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. The Successor Rate or Alternative Reference Rate (as applicable) or where applicable, any Adjustment Spread and any Benchmark Amendments, without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate (as aforesaid), will be binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders;
- (vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any amendments to these Conditions, the Agency Agreement and/or the Trust Deed, give notice thereof to the Trustee, the Principal Paying Agent and, in accordance with Condition 21 (Notices), the Noteholders;
- (vii) if (i) a Successor Rate or an Alternative Reference Rate is not determined by an Independent Adviser in accordance with the above cN m t i

" "means either (a) a spread (which may be positive or negative) or (b) a formula or methodology for calculating a spread, which the relevant Independent Adviser (in consultation with the Issuer) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Rate by any Relevant Nominating Body (as defined below); or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser

be made to any Noteholder using the relevant Reference Rate (including, without limitation, under Regulation (EU) No. 2016/1011, if applicable);

" "means an independent financial institution of international repute or other independent financial adviser of recognised standing with experience in the

to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. F o f s n l o g y f n

"

" means the period commencing on the Relevant

- (b) **Interest:** Payments of interest shall, subject to paragraph (h) below, be made only against presentation and () payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the " ") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment, the sum deducted will be the amount of principal due for payment, and the amount of the missing Coupons in excess of the amount of principal due for payment will be treated as if they were not missing.

redemption in whole of such Note pursuant to Condition 9(b) (Redemption for tax reasons), Condition 9(e) (Redemption at the option of Noteholders), Condition 9(f) (Redemption or purchase on Change of Control), Condition 9(c) (Redemption at the option of the Issuer) or Condition 13 (Events of Default), all unmaturing Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

©

(d) Payments on business days: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business

with or for the benefit of its creditors (or any class of its creditors) or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or a Material Subsidiary ceases or threatens to cease to carry on all or substantially the whole of its business, otherwise than, in each case for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent (other than in the case of the Issuer) or on terms approved in writing by the Trustee or by an Extraordinary Resolution; or

- (g) Winding up etc: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or a Material Subsidiary, otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent (other than in the case of the Issuer) or on terms approved in writing by the Trustee or by an Extraordinary Resolution; or
- (h) Analogous event: any event occurs which under the laws of the jurisdiction of incorporation of the Issuer or a Material Subsidiary has an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

A certificate signed by two Officers certifying 2 per cent. of Consolidated Total Assets provided for in Conditions 13(c) (Cross-acceleration of Issuer or Material Subsidiaries) and (d) (Unsatisfied judgment) has been met may be relied upon by the Trustee without liability and without further enquiry or evidence, and if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

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Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

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Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17.

- (a) Meetings of Noteholders: The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to their interests, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes.**

The Trustee may at any time, at its discretion and without notice, institute such proceedings and/or other steps or action (including lodging an appeal in any proceedings) as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes or otherwise, but it shall not be bound to do so unless

- ① it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- ② it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

No Noteholder or Couponholder shall be entitled to ① take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Notes

[

[Terms used herein shall be deemed to be defined as such for the purposes of the [Conditions (the " ") set forth in the Base Prospectus dated 8 September 2020] [and the supplemental Base Prospectus(es) dated []] which [together] constitute[s] a base prospectus (the " ") for the purposes of the Prospectus Regulation / Regulation (EU) 2017/1129 (the " "). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/marketnews/market-news-home.html>]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the " ") set forth in the Base Prospectus dated [] [and the supplement to it dated []] which are incorporated by reference in the Base Prospectus dated 8 September 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of [the Prospectus Regulation / Regulation (EU) 2017/1129 (the " ") and must be read in conjunction with the Base Prospectus dated 8 September 2020] [and the supplemental Base Prospectus dated []] which [together] constitute[s] a base prospectus (the " ") for the purposes of the Prospectus Regulation in order to obtain all the relevant information, including the Conditions incorporated by reference in the Base Prospectus. The Base Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/marketnews/market-news-home.html>]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

- | | | | |
|----|-----|--|---|
| 1. | ① | Issuer: | [] |
| 2. | [] | Series Number: | [] |
| | [] | Tranche Number: | [] |
| | [] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about []].] |
| 3. | | Specified Currency or Currencies: | [] |
| 4. | | Aggregate Nominal Amount: | [] |
| | [] | Series: | [] |
| | [] | Tranche: | [] |
| 5. | | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []] |
| | ① | Specified Denominations: | [] [and integral multiples of [] in excess thereof up to and including []. No notes in definitive form will be issued with a denomination above []] |
| | ② | Calculation Amount: | [] |
| 6. | ① | Issue Date: | [] |

(iii) **Maximum Rate of Interest** [] per cent. per annum

(iv) **Day Count Fraction** [Actual/Actual (CMA) / Actual/365 / Actual/Actual (SDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (SDA)]

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[Applicable/Not Applicable]

21. Early Redemption Amount(s) per $\frac{[C]}{[Par]}$ per Calculation Amount / Make-
Calculation Amount payable on Whole Amount] redemption for taxation reasons or on
event of default or other early
redemption

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time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

7.

① Stabilising Manager(s) (if any): Not Applicable / [:]

The Issuer will use the net proceeds from the issue of each Series of Notes for its general corporate purposes. If, in respect of an issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

Babcock is a leading provider of critical, complex engineering services, which support national defence, save lives and protect communities. Babcock focuses on three highly regulated markets (defence, emergency services and civil nuclear) and delivers vital services and manages complex assets in the UK and internationally through four sectors. U vi

US and UK deterrent programmes and is building missile

It is one of the largest providers of support services to the UK's emergency services, managing vehicles, equipment and facilities on behalf of the Metropolitan Police Service and the London Fire Brigade.

It is one of the largest private sector providers of vocational training in the UK. It delivers a range of long term training services arrangements to customers in the automotive, transport, energy and service sectors including London Fire Brigade, BMW, Network Rail and EDF Energy utilising a range of dedicated facilities.

In addition, it also operates across a range of other market sectors, such as rail and power.

The business supports Network Rail, where it provides track works in Scotland under a ten year contract.

fleet. These activities are undertaken at Babcock's Devonport facility and at HMNB Clyde, where

engineering services, and dockyard port operations. The new Type 31 Frigates will also be built at Rosyth.

Devonport Royal Dockyard is owned by Babcock's subsidiary, Devonport Royal Dockyard Ltd ('DRDL'), and is located next to HMNB Devonport, a major operational naval base that is owned by the MoD, for which the Babcock Group provides a range of engineering and logistic services.

than these claims, the Babcock Group has not made any material claims under any of its insurance policies in the last three years.

Taking into account the nature of the Babcock Group's business, the Board believes that the level of insurance for the Babcock Group is in line with industry standards, and that the Babcock Group is compliant with any contractual requirements for insurance cover imposed by customers, where applicable.

Frazer-Nash Consultancy Limited	England and Wales	100%	Systems and engineering technology services
Babcock Pty Ltd	Australia	100%	Engineering and maintenance support
Babcock Integrated Technology Limited	England and Wales	100%	Design, supply and installation of specialist handling equipment
Babcock Canada Inc.	Canada	100%	Engineering and Project Management of Submarines

Babcock International Italy S.p.A	Italy	100%	Aerial services
Babcock Engineering Portugal, Unipessoal, LDA	Portugal	100%	Aerial services
Babcock Mission Critical Services Fleet Management SAU	Spain	100%	Aerial services
ALC (Superholdco) Limited	England and Wales	50%	PFI operator
AirTanker Limited	England and Wales	13.3%	In-flight refuelling support
Ascent Flight Training (Holdings) Limited	England and Wales	50%	Flight training
Cavendish Dounreay Partnership Limited	England and Wales	50%	Nuclear site decommissioning

The Babcock Group is party to certain legal proceedings and investigations, most of which are routine and all of which are incidental to its business. Some matters involve claims for damages as well as other relief. Other than the proceedings set out below the Babcock Group believes that, if any or all of these legal proceedings or investigations are determined against it, they will o

a Non-Executive Director of UDG Healthcare PLC and Trane Technologies plc which is listed on the New York Stock Exchange.

© Prof. Victoire de Margerie, Independent Non-Executive Director

Victoire de Margerie joined the Board as a Non-Executive Director on 1 February 2016. She is the Executive Chair of Rondel (France), a start-up company, developing micro machinery for advanced industry applications. She is also a Non-Executive Director of Eurazeo SA (France)

judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

The Board has established Audit and Risk, Remuneration and Nominations Committees, with formally delegated duties and responsibilities with written terms of references.

No Director has any material interest in any significant contract with the Issuer or any of its subsidiary undertakings.

No potential conflicts of interests exist between any of the Directors' duties to Babcock or the Babcock Group and their private interests and/or other duties.

None of the Directors were selected to act in such capacity pursuant to any arrangement or understanding with any major shareholder, customer, supplier or other person having a business connection with the Babcock Group.

There are no family relationships between any of the Directors.

There are no outstanding loans granted by Babcock or any member of the Babcock Group to any of the Directors, nor has any guarantee been provided by Babcock or any member of the Babcock Group for their benefit, save that each of the Directors has the benefit of a qualifying third party indemnity pursuant to which Babcock agrees to indemnify the Directors against liabilities that they may incur as a result of their office as director in terms which are in accordance with the relevant provisions of the Companies Act 2006.

Audit and Risk Committee

Current members

The Babcock Audit and Risk Committee is made up entirely of independent Non-Executive Directors. The Corporate Governance Code recommends that the Audit and Risk Committee should be comprised of, at least, three members who should all be independent non-executive directors and that at least one member should have recent and relevant financial experience.

The Audit and Risk Committee is made up of three independent non-executive directors.

reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken,

reviewing its own performance, constitution and term

in determining remuneration packages and arrangements, considering any relevant legal requirements, and the provisions of the Corporate Go

Babcock has adopted a Code of Business Conduct which sets out the ethical standards that should be adhered to by Babcock's employees, business advisors and partners. All employees are expected to avoid conflicts of interest, to act lawfully (and in particular, not to be involved in

that is two years after the date of publication of final regulations defining 'foreign pass-thru payments' in the U.S. Federal Register, and Notes characterized as debt for U.S. federal income

Notes may be sold from time to time by the Issuer to any one or more of Banco Santander, S.A., BNP Paribas, HSBC Bank plc, J.P. Morgan Securities plc, Lloyds Bank Corporate Markets plc, NatWest Markets Plc, Skandinaviska Enskilda Banken AB (publ) and SMBC Nikko Capital Markets Limited (the "Dealers"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated Dealer Agreement dated 8 September 2020 as amended or supplemented from time to time (the "Dealer Agreement").

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Each Dealer has represented and agreed, and each future Dealer appointed under the Programme will be required to represent and agree, that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified

