

This document is important and requires your immediate attention, so please read it straight away.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisor authorised under the Financial Services and Markets Act 2000. If you have sold or transferred your shares in Balfour Beatty plc, please send this circular and the accompanying Form of Proxy to the person who sold or transferred the shares for you so they can be passed on to the person who now owns the shares.

Balfour Beatty

Annual General Meeting 2021

Dear shareholder

I am pleased to send you details of the Annual General Meeting (AGM) of Balfour Beatty plc (Balfour Beatty or the Company), which will be held at 10:00am on Thursday 13 May 2021 at The Curve Building, Axis Business Park, Langley, Berkshire, SL3 8AG.

According to the current government guidance, restrictions will still be in place on the date of the AGM that prohibit group gatherings, restrict travel and mandate a policy of social distancing due to the risk of COVID-19. Therefore, the AGM will be a closed meeting convened with the minimum quorum stated in the Company's Articles of Association. Balfour Beatty intends to facilitate the quorum of shareholders for this meeting. All other shareholders should not attempt to attend the AGM in person, in order to protect the health and safety of fellow shareholders and our staff, and will not be permitted admission if they intend to do so.

As the AGM will be a closed meeting, we strongly encourage shareholders to exercise their votes by submitting proxy forms electronically or by post in advance of the meeting. To ensure your vote counts, only the Chair of the meeting should be appointed as proxy. Forms of Proxy must be submitted as soon as possible and, in any event no later than 10:00am BST on Tuesday 11 May 2021.

The business we will consider at the AGM

The AGM will cover standard matters that are dealt with at every AGM (resolutions 1 to 13). Resolutions 14, 15 and 18 to 20 are similar to those which shareholders have passed in previous years.

On 9 December 2020, the Company announced that I intended to step down at the AGM. An externally supported search for a suitable successor is progressing well but a successor is unlikely to be in post before the AGM. The Board has therefore asked me to remain as Group Chair until my successor can take up the position. I will step down from the Board on the successful handover to the new Chair. As a result, I am therefore standing for re-election at the AGM.

In addition to the standard matters, shareholders are being asked to approve the "Balfour Beatty Performance Share Plan 2021" (resolution 16), which is a replacement for the Balfour Beatty Performance Share Plan 2011, which was approved by shareholders at the 2011 annual general meeting and, in line with usual practice and the approval given in 2011, will expire on 12 May 2021. A summary of the principal terms of the "Balfour Beatty Performance Share Plan 2021" is set out in Appendix 1 to this Notice. Shareholders are also being asked to approve the adoption of the new articles of association (resolution 17). An explanation of the key changes between the existing articles of association and the proposed new articles of association is set out in Appendix 2 to this Notice.

Each one of the 20 resolutions that we are asking you to vote on is written in a formal way to make it legally valid. To make things clearer, we have set out explanatory notes to the resolutions, which immediately follow the Notice of Annual General Meeting.

Shareholders are encouraged to submit questions in advance of the meeting. Any questions may be sent by post to the Company Secretary at the Company's Registered Office or by email to shareholderquestions@balfourbeatty.com. Please note that this email address has been set up for the purpose of the AGM and will be closed one week following the conclusion of the AGM. Notices of termination of proxy appointment, or requests for additional Forms of Proxy, should not be sent to this email address. Any queries following the AGM can be submitted to companysecretary@balfourbeatty.com.

What to do next

If you hold ordinary shares in Balfour Beatty, you are entitled to vote on the resolutions. It is important for the good governance of your Company that all holders of ordinary shares, regardless of the number of shares that they own, exercise their right to vote despite not being able to attend the meeting.

As shareholders are unable to attend the meeting in person this year, voting on resolutions at the AGM will be by way of a poll and not by a show of hands. A poll is the fairest way of ensuring the wishes of shareholders are properly reflected at general meetings as it records the decision of all

shareholders who have voted, based on the number of shares they hold. The results will be published on the Company's website as soon as practicable after the meeting.

This year, shareholders must nominate the Chair of the meeting as their proxy in order for their votes to be counted. For your proxy appointment to be effective, you need to complete and return the Form of Proxy enclosed with this circular, or register your proxy appointment and voting instructions through the internet, by 10:00am on Tuesday 11 May 2021 at the latest. I am grateful to the many shareholders who have lodged proxy votes in the past.

There is more information on what you need to do if you want to appoint a proxy on pages 9 and 10.

Recommendation

Your Directors believe that all the proposed resolutions to be considered at the AGM are in the best interests of Balfour Beatty and its shareholders as a whole. Your Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial shareholdings.

On behalf of your Board, I would like to thank you all for your understanding and support in these exceptional circumstances. We believe that the adjustments we have made to the meeting arrangements again this year are required in order to protect the health and wellbeing of the Company's shareholders and staff in light of the continuing COVID-19 pandemic. We will continue to monitor the situation and if any changes to the arrangements set out in this document become necessary, we will communicate these via the Company's website. In the meantime, I would like to wish you all well in these difficult times.

Yours sincerely

Philip Aiken
Group Chair
14 April 2021

Balfour Beatty plc
Registered Office: 5 Churchill Place, Canary Wharf, London E14 5HU

Registered in England and Wales
with number 395826

Notice of Annual General Meeting

Notice is hereby given that the seventy-sixth Annual General Meeting (AGM) of Balfour Beatty plc (the Company) will be held at The Curve Building, Axis Business Park, Langley, Berkshire, SL3 8AG, on Thursday 13 May 2021 at 10:00am for the following purposes.

Resolutions 17 to 20 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Business

1. To receive the audited accounts for the financial year ended 31 December 2020, together with the Strategic report, Directors' report and Auditor's report on those accounts.
2. To approve the Directors' remuneration report (other than the Directors' remuneration policy) for the year ended 31 December 2020.
3. To declare a final dividend of 1.5p per share on the ordinary shares of the Company.
4. To re-elect Mr P S Aiken AM as a Director.
5. To re-elect Dr S R Billingham CBE as a Director.
6. To re-elect Mr S J Doughty CMG as a Director.
7. To re-elect Mr P J Harrison as a Director.
8. To re-elect Mr M A Lucki as a Director.
9. To re-elect Ms B J Moorhouse as a Director.
10. To re-elect Mr L M Quinn as a Director.
11. To re-elect Ms A Drinkwater as a Director.
12. To reappoint KPMG LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid.
13. To authorise the Directors to determine the remuneration of the auditor.

Special Business

14. To consider and, if thought fit, pass as an ordinary resolution:

THAT:

- (a) the Company is, and all companies that are, at any time during the period for which this resolution has effect, subsidiaries of the company as defined in the Companies Act 2006 (the 2006 Act), are authorised, for the purposes of Part 14 of the 2006 Act at any time during the period from the date of the passing of this resolution to the conclusion of the next AGM, or on 30 June 2022, whichever is the earlier:

- (i) to make political donations to political parties and/or independent election candidates not exceeding £25,000 in total;
 - (ii) to make political donations to political organisations other than political parties not exceeding £25,000 in total; and
 - (iii) to incur political expenditure not exceeding £25,000 in total; provided that the aggregate amount of any such donations and expenditure shall not exceed £25,000;
- (b) all existing authorisations and approvals relating to political donations or expenditure are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and
 - (c) words and expressions defined for the purpose of Part 14 of the 2006 Act shall have the same meaning in this resolution.

15. To consider and, if thought fit, pass as an ordinary resolution:

THAT:

- (a) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the 2006 Act to exercise all the powers of the Company to allot shares, and to grant rights to subscribe for, or to convert any security into, shares, up to an aggregate nominal amount of £112,658,350.66, such authority to expire at the end of the next AGM or on 30 June 2022, whichever is the earlier; and
- (b) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the 2006 Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a further nominal amount of £112,658,350.66 in connection with an offer by way of a rights issue, such authority to expire at the end of the next AGM or on 30 June 2022, whichever is the earlier,

but so that the Company may make offers and enter into agreements during the period referred to in paragraphs (a) and (b) above which would, or might, require shares to be allotted or rights to subscribe for, or convert other securities into, shares to be granted after the authority ends.

For the purposes of this resolution, "rights issue" means an offer to:

- (i) holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to the respective number of ordinary shares held by them; and
- (ii) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

16. To consider and, if thought fit, pass as an ordinary resolution:

THAT:

- (a) the rules of the Balfour Beatty Performance Share Plan 2021 (the "Performance Share Plan"), the principal features of which are summarised in Appendix 1 to this Notice, and a copy of which is produced in draft to the AGM, be approved, and the Directors be authorised to do all things necessary to operate the Performance Share Plan, including making such modifications as the Directors consider appropriate to take account of the requirements of the UK Listing Authority and best practice; and
- (b) the Directors be authorised to establish such further plans for the benefit of employees overseas based on the Performance Share Plan, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation, provided that any ordinary shares of the Company made available under such further plans are treated as counting against any individual or overall limits of the Performance Share Plan.

17. To consider and, if thought fit, pass as a special resolution:

THAT with effect from the close of the meeting, the draft articles of association of the Company, produced to the meeting and signed by the Chair for the purpose of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

18. To consider and, if thought fit, pass as a special resolution:

THAT subject to the passing of Resolution 15, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority given by Resolution 15 above and to sell treasury shares wholly for cash, as if Section 561(1) of the 2006 Act did not apply to such allotment or sale, in each case:

- (a) in connection with a rights issue; and
- (b) otherwise in connection with a rights issue, up to an aggregate nominal amount of £16,898,752.60,

such authority to expire at the end of the next AGM or on 30 June 2022, whichever is the earlier, but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired.

For the purposes of this resolution, "rights issue" has the same meaning as in Resolution 15.

19. To consider and, if thought fit, pass as a special resolution:

THAT the Company be hereby generally and unconditionally authorised for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of ordinary shares of 50p each in the Company (ordinary shares) on such terms as the Directors think fit, and where such shares are held in treasury, the Company may, among other things, use them for the purpose of its employee share schemes provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 67,595,010;

(b) the maximum price, exclusive of expenses, which may be paid for a share is the higher of:

- (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out;

(c) the minimum price, exclusive of expenses, which may be paid for a share is its nominal value; and

(d) this authority will expire unless previously revoked or varied, at the end of the next AGM or on 30 June 2022, whichever is the earlier (except in relation to the purchase of shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry).

20. To consider and, if thought fit, pass as a special resolution:

THAT a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days notice.

By Order of the Board

Tracey Wood

Group General Counsel and
Company Secretary
14 April 2021

Registered Office: 5 Churchill Place, Canary Wharf, London E14 5HU

Registered in England and Wales with number 395826

Notice of Annual General Meeting continued

Notes:

- (i) As at 7 April 2021 (being the latest practicable date before the publication of this notice) the Company's issued ordinary share capital consisted of 689,739,619 ordinary shares of 50p. As at 7 April 2021, 13,789,515 are held in Treasury with no voting rights attached. Therefore, the total ordinary voting rights in the Company as at 7 April 2021 were 675,950,104 ordinary shares.
- (ii) Voting at the AGM will be by poll rather than by a show of hands to allow voting representation from all shareholders, given that it is a closed meeting. Once the results have been verified by the Company's Registrars, they will be notified to the Financial Conduct Authority and published on the Company's website (at www.balfourbeatty.com).
- (iii) A holder of ordinary shares entitled to attend and vote is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to vote at the meeting.
- This year, shareholders must nominate the Chair of the meeting as their proxy in order for their votes to be counted.
- (iv) If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0371 664 0524. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales.
- (v) The Company specifies that only those holders of ordinary shares registered in the Register of Members of the Company at close of business on Tuesday, 11 May 2021 will be entitled to vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the relevant register of securities after close of business on Tuesday, 11 May 2021 will be disregarded in determining the rights of any person to vote at the meeting (and any adjournment thereof).
- (vi) 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.
- (vii) The statement of the rights of shareholders in relation to the appointment of proxies in this notice above does not apply to Nominated Persons. The rights described in Note (iii) can only be exercised by shareholders of the Company.
- (viii) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (ix) Any holder of ordinary shares with the right to vote at the meeting also has the right to ask questions. This year, all questions related to the business of the AGM must be sent to the Company Secretary at the Company's Registered Office or by email to shareholderquestions@balfourbeatty.com. Please note that this email address has been set up for the purpose of the AGM and will be closed one week following the conclusion of the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on the Company's website (www.balfourbeatty.com) in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (x) Under Section 527 of the 2006 Act shareholders that meet the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
- the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the meeting; or
 - any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act.
- The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on a website under Section 527 of the 2006 Act.
- A request must be received by the Company not later than 6 May 2021, being the date one week before the AGM.
- (xi) Copies of Directors' service contracts and letters of appointment, the new Performance Share Plan 2021 Rules that are proposed to be adopted by Resolution 16 and the Current Articles of Association together with a copy of the New Articles of Association that are proposed to be adopted by Resolution 17 are available for inspection at One Silk Street, London, EC2Y 8HQ, United Kingdom during normal business hours on any weekday (Saturdays, Sundays and UK public holidays excepted) and on the Company's website from the date of this notice until the date of the AGM.
- (xii) You may not use any electronic address provided in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- (xiii) A copy of this notice and other information required by Section 311A of the 2006 Act can be found at www.balfourbeatty.com.

Explanatory notes to the business of the AGM

We will be holding our AGM on Thursday 13 May 2021 at The Curve Building, Axis Business Park, Langley, Berkshire SL3 8AG. The meeting will start at 10:00am and the formal notice of the meeting is set out on pages 2 to 3; however, the meeting will be closed and shareholders should not attempt to attend.

In these explanatory notes, the references to 7 April 2021 and to 30 June 2022 are to the latest practicable date prior to the publication of this circular and the latest date by which the Company must hold an AGM in 2022, respectively.

Resolutions 1 to 15

Resolutions 1 to 15 will be proposed as ordinary resolutions. For these resolutions to be passed, more than 50% of the votes cast must be in favour.

1. Directors' Report and Accounts

The Directors are required to present the annual accounts, Strategic report, Directors' report and Auditor's report on the accounts to the meeting for the year ended 31 December 2020. These are all contained in the Company's Annual Report and Accounts 2020 (the "2020 Annual Report").

2. Directors' remuneration report

The Company is required to seek shareholder approval of the Directors' remuneration report for the year ended 31 December 2020 on pages 134 to 150 of the 2020 Annual Report (other than the summary of remuneration policy on pages 138 to 140). The vote is advisory in nature and therefore no entitlement of any individual Director to remuneration, whether under a service contract or letter of appointment, is conditional on the passing of this resolution.

3. Dividend

Shareholders must approve the final dividend payable for each ordinary share held. However, the final dividend cannot exceed the amount recommended by the Directors, which is 1.5p for each ordinary share. If approved, the final dividend will be paid on 7 July 2021 to holders of ordinary shares who are on the Company's Register of Members on 4 June 2021. The proposed final dividend will bring the total dividend for 2020 to 1.5p per ordinary share. For 2019, the total dividend was 2.1p per ordinary share. Shares held in Treasury do not receive the dividend.

4 to 11. Re-election of Directors

All Directors who are currently in office will seek re-election at the AGM in accordance with the recommendations of the UK Corporate Governance Code including Philip Aiken AM who will, subject to his re-election, remain as Group Chair until his successor can take up the position, the search for which is progressing well.

Each of the Directors brings skills and experience which enhance the quality of debate in the boardroom and provides guidance in the Company's affairs. There are, however, specific areas where the non-executive Directors, in particular, bring a wealth of insight and, although not exhaustive, some of their most significant strengths are highlighted on page 119 of the 2020 Annual Report. The Directors believe that your Board continues to include an appropriate balance of skills, experience, independence and knowledge of the Company and retains the ability to provide effective leadership to the Group.

Following formal performance evaluations with all Board members carried out in 2020, the Chair is satisfied that each of the non-executive Directors continues to be effective and demonstrates commitment to the role, including commitment of time for Board and Committee meetings. Accordingly, your Board believes that the re-election of each of the Directors is in the best interests of your Company.

For information about each of your Directors seeking re-election, please refer to pages 7 and 8 of this Notice.

12 and 13. Independent auditor

The Company must appoint an auditor at every general meeting at which accounts are presented to shareholders. KPMG LLP has indicated its willingness to continue to act as the Company's auditor for another year until the conclusion of the next AGM at which accounts are laid before the Company. The Audit and Risk Committee has assessed the effectiveness, independence, objectivity, appropriate mindset and professional scepticism of the external auditor, KPMG, and concluded that the external auditor was in all respects effective. On the recommendation of the Audit and Risk Committee, Resolution 12 proposes that KPMG LLP be reappointed as auditor of the Company.

Resolution 13 authorises your Directors to determine the remuneration of the auditor. Seeking separate authorities to appoint the auditor and to determine its remuneration is in accordance with best practice.

14. Authority to incur political expenditure

Part 14 of the Companies Act 2006 requires companies to obtain shareholders' authority for political donations to registered political parties, other political organisations or an independent election candidate, totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions.

The definition of political donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and representation of the business community.

It could include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or influence support for a particular political party or political organisation.

It remains the policy of the Company and its subsidiaries not to make political donations or incur political expenditure as those expressions are normally understood. However, your Directors consider that it is in the best interests of shareholders for the Company to participate in public debate and opinion forming matters which affect its business. In order to avoid the inadvertent infringement of the Companies Act 2006, your Directors are seeking shareholders' authority for the Company, and all companies that are, at any time during the period for which this resolution has effect, subsidiaries of the company as defined in the 2006 Act, to make political donations and to incur political expenditure up to a maximum aggregate amount of £25,000. The authority sought by this resolution will expire at the conclusion of the Company's AGM in 2022, or on 30 June 2022, whichever is the earlier.

In line with best practice guidelines published by the Investment Association, this resolution is put to shareholders annually, rather than every four years as permitted by the Companies Act 2006.

15. Authority to allot ordinary shares

The purpose of this resolution is to renew your Directors' authority to allot shares on a pre-emptive basis. The authority in paragraph (a) would give your Directors authority to allot new shares, or to grant rights to subscribe for or convert any security into shares, up to a nominal value of £112,658,350.66 representing approximately one-third of the Company's total issued ordinary share capital, exclusive of treasury shares, as at 7 April 2021.

The authority in paragraph (b) would give your Directors authority to allot new shares, or to grant rights to subscribe for or convert any security into shares, only in connection with a fully pre-emptive rights issue up to a further nominal value of £112,658,350.66. This is in line with the Investment Association's Share Capital Management Guidelines.

As at 7 April 2021, 13,789,515 shares were held by the Company as treasury shares. Your Directors consider it desirable to retain the maximum flexibility permitted by corporate governance guidelines to respond to market developments. This will enable them to act in the best interests of shareholders when opportunities arise, by issuing ordinary shares at short notice, without the need to convene a general meeting.

This authority renews that given at last year's AGM and will expire at the conclusion of the Company's AGM in 2022 or, on 30 June 2022, whichever is the earlier, although your Directors intend to continue the practice of seeking renewal of this power at each AGM.

Explanatory notes to the business of the AGM continued

16. Adoption of new Performance Share Plan Rules

Your Directors are seeking shareholder approval for a new Performance Share Plan ("PSP") to replace the existing plan, which will shortly reach the end of its ten-year life.

The PSP is very similar to the existing plan but has been updated to take account of developments in corporate governance and best practice since the existing plan was adopted. These updates include the malus and clawback provisions and the adjustment of formulaic vesting outturns, having regard to the terms of the Directors' Remuneration Policy approved by shareholders at the 2020 AGM.

A summary of the principal terms of the PSP can be found in Appendix 1 to this Notice. Performance share plan awards to be granted in respect of 2021 are intended to be granted before the annual general meeting and, accordingly, are intended to be granted under the current plan. Further information in relation to those proposed awards is included in the Directors' Remuneration Report in the 2020 Annual Report.

Resolutions 17 to 20.

These resolutions will be proposed as special resolutions. For these resolutions to be passed, at least 75% of the votes cast must be in favour.

17. Adoption of new articles of association

This resolution seeks approval of new articles of association of the Company (the "New Articles of Association"), to reflect changes to company law and market practice and update the Company's current articles of association (the "Current Articles of Association"). In particular, the New Articles of Association omit the provisions relating to convertible preference shares in the Current Articles of Association, to reflect that the Company's convertible preference shares were redeemed in full in 2020. The New Articles of Association also provide greater flexibility for the Company to hold a general meeting either physically or through a combined electronic and physical meeting. Other principal changes introduced in the New Articles of Association are summarised in Appendix 2 to this Notice. Certain changes, which are of a minor, technical or clarifying nature, have not been noted. A copy of the Current Articles of Association and the New Articles of Association, are available for inspection, as specified in note (x) to this Notice.

18. Authority to allot ordinary shares for cash on a non pre-emptive basis

If your Directors allot new shares (or sell treasury shares) for cash (other than in connection with an employee share scheme), they must first offer them to existing shareholders in proportion to their existing holdings (known as pre-emption rights). However, there may be occasions when your Directors need the flexibility to finance business opportunities by the issue of shares for cash without a pre-emptive offer to

existing shareholders. This resolution seeks shareholders' approval to do this.

The resolution seeks approval for the allotment of new ordinary shares of up to a nominal amount of £16,898,752.60 for cash (which includes the sale of any shares held in treasury), representing 5% of the Company's issued ordinary share capital as at 7 April 2021. This authority falls within the Pre-Emption Group's Statement of Principles.

Your Directors intend to adhere to the provisions of the Pre-Emption Group's Statement of Principles not to allot shares (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the Company's issued ordinary capital in any rolling three-year period, without prior consultation with shareholders.

This authority renews that given at last year's AGM and will expire at the conclusion of the Company's AGM in 2022, or on 30 June 2022, whichever is the earlier. A renewal of this authority will be proposed at each subsequent AGM and the authority sought will fall within the Pre-Emption Group's Statement of Principles.

19. Authority for the Company to purchase its own ordinary shares

On 9 December 2020, the Company announced that it would undertake a share buyback programme to return up to £50 million to shareholders (the "2021 Buyback Programme"). The 2021 Buyback Programme commenced on 5 January 2021 and on 10 March 2021 the Company announced that it would be extended by a further amount of £100 million and until 31 December 2021. Your Directors are committed to managing the Company's share capital effectively and it is proposed that, in common with many other listed companies, the Company continues to have the authority to make market purchases of its own shares. The number of shares the Company can buy is limited to a maximum of 10% of the Company's issued ordinary share capital, excluding treasury shares, calculated by reference to the number of ordinary shares respectively in issue at 7 April 2021 (being the latest practicable date).

The resolution sets out the lowest and the highest prices the Company can pay for its shares. The authority expires at the conclusion of the AGM in 2022 or, on 30 June 2022, whichever is the earlier.

This resolution is consistent with the Investment Association's Share Capital Management Guidelines which are more restrictive than the Companies Act 2006. Your Board will continue to monitor the capital requirements of the Company carefully and, although there are no plans to purchase ordinary shares at the moment other than under the 2021 Buyback Programme, the Directors consider it prudent to be able to act at short notice if the circumstances warrant it. Your Board will only make use of these authorities if it is satisfied: that it would

promote the success of the Company to do so; that it could be expected to result in an increase in earnings per share; and accordingly that the purchase is in the interests of shareholders as a whole.

Under the 2021 Buyback Programme, as at 7 April 2021 (being the latest practicable date) 13,789,515 ordinary shares had been purchased to be held as treasury shares under the equivalent authorities granted at the 2020 AGM.

As at 7 April 2021, there were no outstanding warrants or options to subscribe for ordinary shares.

If the Company purchases its own shares they will be cancelled or held as treasury shares. The Companies Act 2006 permits the Company to hold shares purchased as treasury shares rather than treat them as cancelled. Any shares held in treasury may subsequently be cancelled, resold for cash or used to satisfy share options and share awards under an employee share scheme.

Once shares are held in treasury, the Company is not entitled to exercise any rights, including the rights to attend and vote at meetings and receive dividends, in respect of those shares. Your Board will only hold shares in treasury where it believes this course of action would promote the success of the Company.

20. Notice of general meetings

Changes made to the Companies Act 2006 by The Companies (Shareholders' Rights) Regulations 2009 (the Regulations) increase the notice period required for general meetings to 21 days, unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. Such approval will not affect AGMs, which will continue to be held on at least 21 clear days' notice.

Before the Regulations came into force, the Company was able to call general meetings (other than AGMs) on 14 clear days' notice. In order to preserve this ability, this resolution seeks renewal of the shareholder approval given at the 2020 AGM. If renewed, this approval will be effective until the conclusion of the Company's AGM in 2022, when your Directors intend to seek a further renewal.

Shareholders should note that the changes to the Companies Act 2006 pursuant to the Regulations mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company has provided an electronic voting facility for several years and intends to continue to do so.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility offered by the shorter notice period would be in the best interests of shareholders generally, taking into account the circumstances and business of the meeting, including whether the business is time sensitive.

Biographical details of Directors seeking re-election

Philip Aiken AM (Resolution 4)

Non-executive Group Chair

Date of appointment: 26 March 2015

Committee membership:

Nomination Committee (Chair)

Remuneration Committee

Safety and Sustainability Committee

Nationality: Australian

Independent: On appointment

Experience: Philip has over 45 years of board-level experience including extensive international business expertise, principally in the resources sectors. Philip was a non-executive director of National Grid plc, chair of Robert Walters plc, a non-executive (and senior independent) director of Kazakhmys plc and Essar Energy plc, and a senior adviser at Macquarie Bank Ltd. Prior to that, he was group president energy at BHP Billiton, president at BHP Petroleum and chief executive of BTR Nylex, and held senior roles in BOC Group. Philip was awarded a Member of the Order of Australia in June 2013. Philip serves as a non-executive director of Gammon China Ltd, the 50:50 joint venture between Balfour Beatty and Jardine Matheson, and its subsidiary Gammon Construction Holdings Ltd. Philip holds a degree in Chemical Engineering from the University of Sydney and is also a graduate of Harvard Business School's Advanced Management Programme. He was appointed a Member of the Order of Australia in 2013 in recognition of his contribution to Anglo-Australian business.

Key external appointments: Philip is non-executive chairman of Aveva Group plc, a non-executive director of Newcrest Mining Limited and a director of Australia Day Foundation.

Contribution: Philip brings to the Board a wealth of experience in industry and commerce and extensive international business experience in the industrial and resources sectors, having worked across the UK, the US, Asia and the Middle East. In addition to his business expertise, Philip is an experienced chair and continues to lead the Board effectively as confirmed by the 2020 Board evaluation process.

Dr Stephen Billingham CBE

(Resolution 5)

Non-executive Director and Senior Independent Director

Date of appointment: 1 June 2015

Committee membership:

Audit and Risk Committee (Chair)

Nomination Committee

Nationality: British

Independent: Yes

Experience: Stephen has significant recent and relevant financial experience and has worked in the construction, infrastructure and support services industries for over 30 years. Stephen was the chief financial officer of British Energy Group plc (a FTSE 100 company and the UK's largest electricity generator) and the chief financial officer of the FTSE 250 company W S Atkins plc, the UK's largest engineering consultancy.

He was also executive chairman at Punch Taverns plc, the UK's second largest pub owner. He played instrumental roles in the financial and operational turnarounds of all three companies. He has also been Chairman of the Royal Berkshire NHS Foundation Trust and Anglian Water Group. He is a fellow of the Association of Corporate Treasurers. He holds an honorary DSc from Aston University and in 2019 was awarded a CBE by the Queen for services to government owned, public and regulated businesses.

Key external appointments: Stephen is non-executive chairman of Urenco Ltd. He chaired the Urenco Ltd audit committee from 2009 to 2015.

Contribution: Stephen brings to the Board immense experience of different industries, including construction and support services, from both the supplier and client sides, as well as having a strong background in finance from several complex international organisations. This has enabled him to make a significant contribution to the work of the Board in general, and to his roles as senior independent director and chair of the Audit and Risk Committee, in particular.

Stuart Doughty CMG (Resolution 6)

Non-executive Director

Date of appointment: 8 April 2015

Committee membership:

Safety and Sustainability Committee (Chair)

Audit and Risk Committee

Nomination Committee

Nationality: British

Independent: Yes

Experience: Stuart has over 50 years' experience in the civil engineering, construction and infrastructure sectors. Stuart was chief executive of Costain Group PLC between 2001 and 2005. This followed executive positions in Welsh multi-utility Hyder plc, Alfred McAlpine plc and Tarmac Construction, where he represented the company on the Channel Tunnel board, following 21 years with John Laing Construction. He has also served as a senior non-executive director of Scott Wilson Group plc, and as chairman of Alstec Ltd, Somero Plc and Beck and Pollitzer Limited. Stuart has also served as the chairman of the Finance and Major Projects Committee for Aston University. He is a Chartered Engineer and a fellow of both the Institution of Civil Engineers and the Institute of Highway Engineers. Stuart was honoured in 2004 by the Queen with a CMG and also received an honorary doctorate from Aston University in 2018.

Key external appointments: Stuart is appointed as a non-executive director representing AustralianSuper (the largest pension fund in Australia) on the board of King's Cross Development Partnership LLP.

Contribution: With a strong background in the industries that Balfour Beatty operates, Stuart brings to the Board an in-depth understanding of the challenges and opportunities that the Company faces. In particular, Stuart brings practical insights to his role as chair of the Safety and Sustainability Committee.

Biographical details of Directors seeking re-election continued

Philip Harrison (Resolution 7) Chief Financial Officer

Date of appointment: 1 June 2015

Nationality: British

Independent: No

Experience: Philip has considerable financial expertise and extensive experience of working in large multi-national manufacturing and services businesses. Philip was appointed as Chief Financial Officer in June 2015, having previously served as group finance director at Hogg Robinson Group plc, and as group finance director at VT Group plc. Prior to that, he was VP finance at Hewlett-Packard (Europe, Middle East and Africa regions) and was a member of the EMEA board. Philip's earlier career included senior international finance roles at Compaq, Rank Xerox and Texas Instruments. Philip is a fellow of the Chartered Institute of Management Accountants.

Key external appointments: Philip does not hold any external appointments.

Michael Lucki (Resolution 8) Non-executive Director

Date of appointment: 1 July 2017

Committee membership:

Audit and Risk Committee

Remuneration Committee

Nationality: American

Independent: Yes

Experience: Michael has over 40 years of business and leadership experience in the US and internationally in the engineering and construction sector. He has held a number of leadership and finance roles, including that of chief financial officer, executive vice president and board member at CH2M HILL. He was formerly an audit partner at Ernst & Young LLP and appointed as its global industry leader for infrastructure, construction and engineering practices. He has recently acted as a strategic adviser to companies and private equity firms in the engineering and construction industry.

Key external appointments: Michael is a board member of Pankow Management Services, Psomas and also serves as an advisory board member of Anchor QEA, LLC. He is a trustee of the California State University Foundation Board and a member of the Investment Advisory Committee of The California State University System.

Contribution: With his extensive experience of the engineering and construction industries in the US, Michael provides valuable first-hand expertise from this key jurisdiction for Balfour Beatty. Michael is based in the US and is well placed to bring to the Board a current perspective on this market.

Barbara Moorhouse (Resolution 9) Non-executive Director

Date of appointment: 1 June 2017

Committee membership:

Audit and Risk Committee

Nomination Committee

Remuneration Committee

Nationality: British

Independent: Yes

Experience: Barbara has extensive leadership experience across the private, public and regulated sectors. She was group finance director at Morgan Sindall plc, regulatory director at South West Water and chief finance officer for two international listed IT companies – Kewill Systems plc and Scala Business Solutions NV. Latterly, she was director general at the Ministry of Justice and the Department for Transport. Her most recent executive appointment was as chief operating officer at Westminster City Council. She is a fellow of the Chartered Institute of Management Accountants and an associate member of the Association of Corporate Treasurers.

Key external appointments: Barbara is chair of the Rail Safety Standards Board and a non-executive director at Aptitude Software Group plc and Agility Trains East (Holdings) Limited. Additionally, she is a director at Heartgood Ltd and at Kipling House Management Right to Manage Company Limited.

Contribution: Barbara brings a strategic view to the Board with direct knowledge of areas relevant to key stakeholders of the Group. She combines significant and broad experience from client sectors, with finance expertise gained in large scale, highly complex organisations and continues to contribute effectively to the Board.

Leo Quinn (Resolution 10) Group Chief Executive

Date of appointment: 1 January 2015

Committee membership:

Nomination Committee

Safety and Sustainability Committee

Nationality: British

Independent: No

Experience: Leo has strong leadership expertise and has significant experience of successfully delivering transformation strategies for large multi-national companies. Leo is a civil engineer and began his career at Balfour Beatty. He was educated at Portsmouth University and Imperial College, London, where he completed his MSc in Management Science. Before being appointed as Group Chief Executive at Balfour Beatty, Leo spent four years as group chief executive of QinetiQ Group plc and, prior to that, five years as chief executive officer of De La Rue plc. Before

this, he spent almost four years as chief operating officer of Invensys plc's production management business, headquartered in the US and 16 years with Honeywell Inc. in senior management roles across the UK, Europe, the Middle East and Africa, including global president of H&BC Enterprise Solutions. Leo was previously a non-executive director of Betfair Group plc and Tomkins plc.

Key external appointments: Leo is the founder of 'The 5% Club', a UK employer led initiative focused on creating momentum behind the recruitment of apprentices and graduates into the workforce.

Anne Drinkwater (Resolution 11) Non-executive Director

Date of appointment: 1 December 2018

Committee membership:

Remuneration Committee (Chair)

Safety and Sustainability Committee

Nationality: British

Independent: Yes

Experience: Anne has significant experience in heavy industry including multiple large capital expenditure projects with infrastructure considerations and knowledge of doing business in the UK and US. She was at BP plc for over 30 years, holding a number of senior strategic and operational roles across multiple jurisdictions including the US, Norway, Indonesia, the Middle East and Africa culminating in the role of president and CEO of the Canadian business. Anne was previously a non-executive director at Aker Solutions A.S.A. and at UK listed Tullow Oil plc, where she served on a number of key board committees. She was previously oil and gas adviser to the Falkland Islands Government.

Key external appointments: Anne is a non-executive director of Equinor A.S.A.

Contribution: Anne was a member of the remuneration committee at Tullow Oil plc for four years providing her with the depth of experience necessary to effectively chair the Remuneration Committee at Balfour Beatty.

Important information for shareholders

You (or any appointed proxy) have the right to attend, speak and vote at the AGM if you are a holder of ordinary shares as shown on the Company's share register at close of business on Tuesday 11 May 2021 (or, in the event of an adjournment, at close of business on the date which is 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the AGM.

As the AGM will be a closed meeting this year, we strongly encourage you to appoint the Chair of the meeting as your proxy. The number of shares that you hold as at the relevant deadline will determine how many votes you will have through your proxy.

Time and place of AGM

Balfour Beatty's AGM will start promptly at 10:00am on Thursday 13 May 2021 at The Curve Building, Axis Business Park, Langley, Berkshire SL3 8AG.

Joint shareholders

Only the first shareholder listed on the Register of Members is entitled to vote.

Appointing a proxy

You may appoint a proxy – someone who will exercise all or any of your rights to vote – by completing and returning the Form of Proxy in accordance with the following instructions.

This year, shareholders should nominate the Chair of the AGM as their proxy in order for their votes to be counted. Before completing the Form of Proxy, please read the following explanatory notes.

How to complete the Form of Proxy

1. Appointing the Chair of the AGM as your proxy

For convenience, the appointment of the Chair of the Meeting has already been included. If you wish to make this appointment, you need only complete, sign and date the relevant Form.

The relevant Form enables you to instruct the Group Chair how to vote on the resolutions to be proposed at the AGM. These resolutions are set out in the notice of meeting on pages 2 and 3 and are explained on pages 5 and 6. He will vote (or withhold his vote) as he thinks fit on any other business which may properly come before the meeting.

Please place an "X" in the appropriate box alongside each resolution to indicate whether and, if so, how you wish your vote to be cast in relation to that resolution. In the absence of any specific instruction on how to vote on a particular resolution, your proxy may vote as the proxy thinks fit on any motion to amend a resolution or to adjourn the meeting, or on any other resolution proposed at the AGM. The "Vote withheld" option is provided, in accordance with best practice, so as to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.

2. Signing the Form(s) of Proxy

Before posting the relevant Form(s) of Proxy, please check that it has been signed and dated. In the case of joint holders, any one of you may sign.

If someone signs the Form(s) on your behalf, you or that person must send it to the Company's Registrars, Link Group (see 4 to 6 below) with the authority under which it is signed, or a copy of the authority which has been certified by a solicitor or notary.

3. Corporate appointment of proxy

Where the person appointing the proxy is a company, the relevant Form(s) of Proxy must be either under seal or under the hand of a duly authorised officer or attorney and the appropriate power of attorney or other authority must be lodged with the Form(s).

4. Posting details

To be valid, a Form of Proxy, together with any authority (see 2 and 3 above), must be received by Link Group not later than 10:00am on Tuesday 11 May 2021, or if the AGM is adjourned, 48 hours before the time for holding the adjourned AGM.

5. UK shareholders

Each UK shareholder should reply by posting a Form of Proxy to Link Group in the envelope provided. No stamp is required. Alternatively, you may vote electronically via the internet at www.balfourbeatty-shares.com (see 8 below).

6. Shareholders outside the UK

Shareholders with addresses outside the UK should reply by returning their Form(s) of Proxy in an envelope to Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom. Alternatively, you may vote electronically via the internet at www.balfourbeatty-shares.com (see 8 below).

7. Duplicate Forms of Proxy

If Link Group receive two or more Forms of Proxy from the same shareholder relating to the same shareholding, they will act upon the one that is delivered last (regardless of its date). If they cannot confirm which one was delivered last (regardless of its date), they will not act on any of the Forms. If your Form arrives after the voting deadline, it will not be valid and will not replace any earlier Forms that they have received.

8. Electronic proxy submission

If you would like to submit your Form of Proxy electronically via the internet, you may do so via www.balfourbeatty-shares.com.

You will need to register to use the service if you have not already done so. Once registration is complete, you may vote online by following the instructions provided.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meetings and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the relevant notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp 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.

Important information for shareholders continued

How to complete the Form of Proxy continued

8. Electronic proxy submission continued

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001, as amended.

9. Documents

The formal notice of the AGM on pages 2 to 3 provides details of the documents which are available on the Company's website for inspection prior to the AGM.

10. General information

If you have any comments or questions relating to the business of the AGM, you can write to the Company Secretary either by post to the Company's registered office or by email to shareholderquestions@balfourbeatty.com. Please note that this email address has been set up for the purpose of receiving questions relating to the business of the AGM and will be closed one week following the conclusion of the meeting. Notices of termination of proxy appointment, or requests for additional Forms of Proxy, should not be sent to this email address. If you wish to give notice of the termination of a proxy appointment, please send a letter to the Company's Registrars giving the full details. This should arrive before the voting deadline. Please note that, as indicated on the Shareholder information page, any administrative enquiry relating to your shareholding should, in the first instance, be directed to the Company's Registrar clearly stating your registered name and address and, if available, shareholder reference number.

The results of the AGM will be announced to the Financial Conduct Authority (FCA) via a Regulatory Information Service and will appear on the Balfour Beatty website (at www.balfourbeatty.com) as soon as practicable following the meeting.

11. Duplicate mailings

You may have received separate sets of documents as it was not possible to combine your records – for example, because different dividend payment instructions apply. Any shareholders who now wish to stop duplicate mailings by combining their records should contact Link Group (see Shareholder information in the 2020 Annual Report on pages 239 to 240).

Additional Disclosures

Major shareholders' interests

Notifications provided to the Company by major shareholders in accordance with the Financial Reporting Council's Disclosure Guidance and Transparency Rule (DTR) are published via a Regulatory Information Service and on the Company's website.

The Company has been notified of the following interests in voting rights in its shares as at 7 April 2021, being the latest practicable date that this information can be provided before being printed:

	Percentage of voting rights (%) as at 31 December 2020	Percentage of voting rights (%) as at 7 April 2021
Janus Henderson Group plc	6.96	6.96
M&G Investment Management	6.22	6.22
Schroders plc	5.07	5.07
BlackRock Inc	5.03	5.03
Causeway Capital Management LLC	4.90	4.90
Tameside MBC re Greater Manchester Pension Fund	4.02	4.02

Directors' interests

The Directors who served during the year and were Directors on 7 April 2021 were Philip Aiken, Leo Quinn, Philip Harrison, Stephen Billingham, Anne Drinkwater, Stuart Doughty, Barbara Moorhouse and Michael Lucki. The interests of the Directors and their connected persons in the Company's shares (as notifiable to the Company under Article 19 of the Market Abuse Regulation) are set out below:

Directors	Beneficially owned at 1 January 2020 ¹	Beneficially owned at 31 December 2020 ^{1,2}	Outstanding PSP awards	Outstanding DBP awards	Beneficially owned at 31 December 2020 as a % of base salary at 31 December 2020 ³
Philip Harrison	271,300	379,927	781,948	329,059	173%
Leo Quinn	1,916,721	2,385,558	1,787,311	653,105	626%
Philip Aiken	15,000	15,000			
Stephen Billingham ⁴	23,808	44,106			
Stuart Doughty	4,550	4,550			
Anne Drinkwater	–	4,500			
Michael Lucki	–	–			
Barbara Moorhouse	4,000	4,000			

1 Includes any shares held in the Company's all-employee Share Incentive Plan.

2 As at 7 April 2021, the following movements in directors' shareholdings have occurred:

- Leo Quinn 158 ordinary shares in total pursuant to shares being acquired in accordance with the Share Incentive Plan on 19 January 2021, 18 February 2021 and 18 March 2021
- Leo Quinn acquired 108,369 ordinary shares pursuant to the vesting of a conditional award in accordance with the Performance Share Plan 2011 on 29 March 2021
- Philip Harrison acquired 89,574 ordinary shares pursuant to the vesting of a conditional award in accordance with the Performance Share Plan 2011 on 29 March 2021
- Leo Quinn acquired 118,444 ordinary shares pursuant to the vesting of a conditional award in accordance with the Deferred Bonus Plan 2016 on 6 April 2021
- Philip Harrison acquired 58,611 ordinary shares pursuant to the vesting of a conditional award in accordance with the Deferred Bonus Plan 2016 on 6 April 2021.

3 The closing market price of the Company's ordinary shares as at 31 December 2020, 270.2p, was used to calculate the value of shares beneficially owned.

4 Stephen Billingham was also interested in 36,070 convertible redeemable preference shares of 1p each in Balfour Beatty plc at 1 January 2020. These were redeemed in full in 1 July 2020.

Shareholder information

Financial calendar

	2021
13 May	Annual General Meeting
7 July	Provisional ordinary dividend payable
18 August*	2021 half year results announcement
6 December*	Provisional ordinary dividend payable
9 December*	Trading update

Note

* Dates are subject to change.

Registrar

Balfour Beatty's share register is maintained by Link Group, the Company's Registrar. Link Group is a trading name of Link Market Services Limited. All administrative enquiries relating to shareholdings and requests to receive corporate documents by email should, in the first instance, be directed to Link Group, clearly stating your registered address and, if available, your shareholder reference number.

Please write to: Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Telephone: 0371 664 0564. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales.

Alternatively, you can email: shareholderenquiries@linkgroup.co.uk. Link Group can help you to: check your shareholding; register a change of address or name; obtain a replacement dividend cheque or tax voucher; or record the death of a shareholder. You can also visit www.signalshares.com to manage your shareholding, and access shares related services and share plans online.

Share certificates

In order to sell or transfer your shares, you must ensure that you have a valid share certificate. This must be in the name of Balfour Beatty plc. If you lose or misplace your share certificate, you can contact Link Group customer support centre and request a replacement certificate. Link Group will then issue a letter of indemnity to you which you will need to sign and return for a new certificate to be produced. There is a fee charged for this service which includes an administration charge and a cover charge (the cover charge can vary depending on the value of the shareholding).

Electronic shareholder communications

The Company's website www.balfourbeatty.com provides a range of information about the Company, our people and businesses and our policies on corporate governance and corporate responsibility. The website should be regarded as your first point of reference for information on any of these matters. The share price can also be found there. You can create a Share Portal account, through which you will be able to access the full range of online shareholder services, including the ability to: view your holdings and indicative share price and valuation; view movements on your holdings and your dividend payment history; register a dividend mandate to have your dividends paid directly into your bank account; change your registered address; sign up to receive e-communications or access the online proxy voting facility; and download and print shareholder forms. The Share Portal is easy to use. Please visit www.balfourbeatty-shares.com. Alternatively, you can email: shareportal@linkgroup.co.uk.

Unsolicited telephone calls

In the past, some of our shareholders have received unsolicited telephone calls or correspondence concerning investment matters from organisations or persons claiming or implying that they have some connection with the Company. We advise our shareholders to be wary of any unsolicited telephone calls, advice or correspondence concerning investment matters from organisations or persons claiming or implying that they have some connection with the Company. These are typically from overseas-based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in UK or overseas investments. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free annual and/or other reports on the Company.

If you receive any unsolicited investment advice:

- Always ensure the firm is authorised by the Financial Conduct Authority (FCA), is on the FCA Register and is allowed to provide financial advice before handing over your money. You can check if a firm is on the FCA's Register via <https://register.fca.org.uk/>
- Ask the caller for their name and telephone number and inform them you will call them back. Then check their identity to ensure that they are from the firm they say they are from by calling the firm using the contact number listed on the FCA Register. If there are no contact details on the FCA Register or you are told that they are out of date, or if you have any other doubts, call the FCA Consumer Helpline on 0800 111 6768.
- If you are approached about a share scam, please visit the FCA's ScamSmart website at www.fca.org.uk/scamsmart where you can access information about the various types of scam, including share and boiler room fraud, see the FCA's Warning List and reports on firms about whom consumers have expressed concerns. Alternatively, you can call the FCA Consumer Helpline (see above). If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.
- You should also report any approach to Action Fraud, which is the UK's national fraud reporting centre, at www.actionfraud.police.uk, or by calling 0300 123 2040.

American Depository Receipts (ADRs)

An American Depository Receipt (ADR) is a negotiable instrument issued by a depository bank that evidences ownership of shares in a corporation organised outside the US. Each ADR represents a specific number of underlying ordinary shares in the non-US company, on deposit with a custodian in the applicable home market.

ADRs are generally treated as US domestic securities. They are quoted and traded in US Dollars and are subject to the trading and settlement procedures of the market in which they trade.

Balfour Beatty's ADR programme details

- Symbol: BAFYY
- ADR: Ordinary Share Ratio: 1:2
- CUSIP: 05845R306
- ADR ISIN: US05845R3066 – Underlying ISIN: GB0000961622
- Depository Bank: JP Morgan Chase Bank N.A. For all ADR-related enquiries, investors can contact JP Morgan via telephone, in writing or email as follows:

Telephone:

Toll free within the United States at: 1-800-990-1135 or locally at 651-306-4383.

JP Morgan representatives are available from 7.00am to 7.00pm Central Time, Monday to Friday.

In writing:

Mail: JPMorgan Shareholder Services, P.O. Box 64504, St. Paul, Minnesota 55164-0504

Overnight mail

JP Morgan Chase Bank N.A.
1110 Centre Pointe Curve, Suite 101 Mendota Heights MN 55120-4100

Email: jpmorgan.adr@eq-us.com

Share transfers

Gifted shares to your family or to charity: To transfer shares to another member of your family as a gift, please ask the Registrar for a Balfour Beatty gift transfer form. Alternatively, if you only have a small number of shares whose value makes it uneconomic to sell them, you may wish to consider donating them to the share donation charity ShareGift (registered charity no. 1052686), whose work Balfour Beatty supports. Any shares you donate to ShareGift will be aggregated and sold when possible, and the proceeds will be donated to a wide range of other UK charities. Since ShareGift was launched, over £3m has been given to more than 3,000 charities. The relevant share transfer form may be obtained from the Registrar. For more information visit www.sharegift.org.

Share dealing services

Link Group provide a telephone and online share dealing service for UK resident shareholders. To use this service, telephone 0371 664 0445 from within the UK. Calls are charged at the standard geographic rate and will vary by provider. Lines are open Monday to Friday 8.00 am to 4.30 pm, UK time, excluding public holidays in England and Wales. Alternatively, you can log on to www.linksharedeal.com.

Link Market Services Trustees Limited is authorised and regulated by the Financial Conduct Authority.

London Stock Exchange Codes

The London Stock Exchange Daily Official List (SEDOL) code for the Ordinary shares is 0096162.

The London Stock Exchange ticker code for the Ordinary shares is BBY.

Capital gains tax (CGT)

For CGT purposes the market value on 31 March 1982 of Balfour Beatty plc's ordinary shares of 50p each was 267.6p per share. This has been adjusted for the 1 for 5 rights issue in June 1992, the 2 for 11 rights issue in September 1996 and the 3 for 7 rights issue in October 2009 and assumes that all rights have been taken up.

Consolidated tax vouchers

Balfour Beatty issues a consolidated tax voucher annually to all shareholders who have their dividends paid direct to their bank accounts. If you would prefer to receive a tax voucher at each dividend payment date rather than annually, please contact the Registrars. A copy of the consolidated tax voucher may be downloaded from the Share Portal at www.balfourbeatty-shares.com.

Enquiries

Enquiries relating to Balfour Beatty's results, business and financial position should be made in writing to the Corporate Communications Department at the address shown below or by email to info@balfourbeatty.com.

Balfour Beatty plc Registered Office:
5 Churchill Place, Canary Wharf,
London E14 5HU.

Registered in England and Wales, registered number 395826

Balfour Beatty

5 Churchill Place
Canary Wharf
London E14 5HU

Telephone: +44(0) 20 7216 6800
www.balfourbeatty.com

Balfour Beatty is a registered trademark of Balfour Beatty plc

Appendix 1 – key features of the Balfour Beatty Performance Share Plan 2021

1 Introduction

A summary of the key features of the Balfour Beatty Performance Share Plan 2021 (the "PSP") is set out below.

The PSP replaces the Balfour Beatty Performance Share Plan 2011, which is due to expire in May 2021, and is materially similar in structure and content.

The PSP will be administered by the Board of Directors or a duly authorised person or group of persons, such as the Remuneration Committee (the "Directors"). Decisions in relation to the participation in the PSP by the Company's executive Directors and any other employee in respect of which the Remuneration Committee sets remuneration will be taken by the Remuneration Committee, and references in this summary to the "Directors" should be read accordingly.

2 Outline

Under the PSP, participants may be given the right to receive shares in the Company subject to the satisfaction of performance conditions and continued employment. Shares can be acquired for nil-cost or for a nominal exercise price.

3 Eligibility

All employees and executive Directors of the Company or any of its subsidiaries are eligible to participate in the PSP. However, it is currently intended that only executive Directors and senior management will be selected for participation.

4 Grant of awards, performance conditions, and holding periods

The PSP enables participants to be granted awards of the Company's shares in the form of conditional awards, nil or nominal options, or forfeitable shares. The current intention is that conditional awards will be granted.

Awards under the PSP will normally only be granted within 42 days of the announcement of the Company's results for any period.

The vesting of awards granted to executive Directors of the Company (other than any award granted to a new executive Director to replace remuneration forfeited in connection with their recruitment) will be subject to the satisfaction of a performance condition. A performance condition may be amended if an event occurs which causes the Directors reasonably to consider an amendment to be appropriate. Awards granted to participants who are not executive Directors of the Company may be subject to the satisfaction of a performance condition. The Directors will have discretion to adjust the extent to which an award vests.

An award will vest after a predetermined period of time (expected to be three years in the normal course), subject to continued employment with the Balfour Beatty group and the satisfaction of any applicable performance conditions.

At the discretion of the Directors, awards may be satisfied by paying participants a cash amount equal to the value of the shares. There is no intention to use this discretion other than in exceptional circumstances.

Awards may also be granted subject to a "holding period." If an award is subject to a holding period, shares acquired pursuant to the award must be retained for the duration of the holding period, except that shares may be sold to realise any tax liability associated with the award. The application of the holding period to executive Directors of the Company will be consistent with the relevant shareholder approved Directors' Remuneration Policy (the "Policy"). There is no current intention to impose a holding period on awards granted to participants who are not executive Directors of the Company.

5 Individual limit

The value of shares comprised in a participant's award(s) in respect of any financial year (other than any award granted to a new recruit to replace remuneration forfeited in connection with their recruitment) may not exceed 200% of his/her annual basic salary. The level of awards granted to executive Directors of the Company will be consistent with the Policy.

6 Dilution limits

In any 10-year period:

- not more than 10% of the issued ordinary share capital of the Company may be issued or issuable under the PSP and all other employees' share plans operated by the Company; and
- not more than 5% of the issued ordinary share capital of the Company may be issued or issuable under the PSP and all other discretionary share plans operated by the Company.

These limits do not include awards and options which have lapsed or been surrendered.

Awards and options may also be satisfied using treasury shares. If such shares are used, the Company will, so long as required under the guidelines of the Investment Association, count them towards these dilution limits.

7 Leaving employment

Participants who leave employment will normally forfeit their awards when they leave. However, participants who leave due to ill-health, injury, disability, retirement, redundancy, death, the sale or transfer of their employing company or business or, at the discretion of the Directors for any other reason, will not forfeit their awards. Instead, the award will normally continue until the original vesting date and will vest subject to the satisfaction of any applicable performance conditions and, unless the Directors determine otherwise, a pro-rata reduction to take account of the proportion of the performance period (or vesting period in the case of an award not subject to a performance condition) when the participant was not in employment will be applied.

In exceptional circumstances awards will vest immediately on cessation of employment, but only to the extent that any performance conditions have, in the opinion of the Directors, been satisfied up to the date of cessation and, unless the Directors determine otherwise, subject to pro-rating for time as described above.

8 Takeovers and restructuring

In the event of a takeover, scheme of arrangement, merger or other corporate reorganisation, participants may be required or allowed to exchange their awards for equivalent awards over shares in the acquiring company. Alternatively, awards will vest at the time of the relevant event to the extent that any performance conditions have been satisfied at that time and subject to the discretion of the Directors to adjust vesting. The number of shares received will then be reduced pro-rata to reflect the accelerated vesting of awards, unless the Directors decide otherwise.

9 Malus and clawback

The Directors may decide that an unvested award should be reduced, amended or cancelled or that clawback may be operated in respect of a vested award. These provisions may be applied in the event that: (i) any financial results or other performance measures used to assess the extent of vesting was misstated, incorrect or misleading; (ii) where an error has been made in determining the extent to which the award vested; (iii) an event, act or omission occurs which results in any member of the Balfour Beatty group suffering material reputational damage; (iv) an event, act or omission occurs which results in any member of the Balfour Beatty group suffering corporate failure; or (v) where the participant has engaged in misconduct (as determined by the Directors).

10 Dividend equivalent

Additional shares or cash may be awarded on the vesting of awards under the PSP to take account of dividends which would have been paid over such period as the Directors determine, ending no later than the date of vesting on the number of shares which vest. The Directors shall determine the basis on which this amount is calculated which may assume the reinvestment of the dividends into shares.

11 Adjusting awards and amending the PSP

Awards may be adjusted following any variation in the share capital of the Company.

Although the Directors have the power to amend the provisions of the PSP in any way, the provisions relating to: (i) the participants; (ii) the limits on the number of shares which may be issued under the PSP; (iii) the individual limit; the basis for determining a participant's entitlement to shares or cash under the PSP; (iv) the adjustments of awards in the event of a variation of capital; and (v) the amendment rule cannot be altered to the advantage of participants without prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the PSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the PSP or for the Company or any other members of its Group).

The Directors may establish further plans based on the PSP (or add schedules to the PSP), but modified to take account of overseas securities laws, exchange controls or tax legislation.

12 General

Awards are personal to the participant and may generally not be transferred or assigned.

Awards are granted for no consideration.

Awards under the PSP are not pensionable.

The PSP may be terminated at any time and, in any event, awards may not be granted after the 10th anniversary of the approval by shareholders of the PSP.

Appendix 2 – key features of the Balfour Beatty plc Articles of Association

The New Articles of Association of the Company

The New Articles of Association contain, among others, the following principal changes:

1 Preference Shares

The New Articles of Association have been updated to reflect that the convertible preference shares have been redeemed in full. The Article which set out the rights and obligations in connection with the convertible preference shares and associated definitions and references has been deleted.

2 Combined physical and electronic General Meetings

The New Articles of Association provide that the Directors may decide to hold a “hybrid” general meeting as a combined physical and electronic general meeting (including an annual general meeting) in such a way that enables shareholders to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic platform (Article 50.1). Voting in respect of all resolutions at a hybrid general meeting must be decided on a poll (Articles 50.3 and 52.4). This provision does not permit a general meeting to be held in an electronic only format. This provision provides further flexibility for the Directors to decide the format and arrangements for holding a general meeting to ensure it is appropriate in the circumstances. The New Articles of Association also include a number of consequential changes to provide for a general meeting to be held as a physical general meeting or a combined physical and electronic general meeting, such as amendments to the method of voting and demand for poll (Article 52), the adjournment of meetings (Article 45) and the requirement for a quorum (Article 44).

3 Attendance at and participation in general meetings

The New Articles of Association provide greater detail on how a person is able to attend and participate in a general meeting (Article 51). This provision specifies that in determining whether persons are attending or participating in a general meeting, it is immaterial whether they are in the same place as each other or how they are able to communicate, provided that they have rights to speak or vote at that meeting. This provision provides further flexibility in the way that meetings are held and captures how a person is able to attend and participate in a physical meeting and a combined physical and electronic general meeting.

4 Method of voting and demand for poll

The New Articles of Association amend the provisions relating to the method of voting and demand for poll (Article 52). The New Articles of Association also contain an additional provision relating to the method of voting and demand for poll at a general meeting that is held as a combined physical and electronic general meeting (Article 50.3).

5 Remuneration of non-executive directors

The New Articles of Association have raised the remuneration fee cap for non-executive directors from £200,000 to £600,000 (Article 68.1). This is intended to align with the actual fees currently paid to the non-executive directors, and there is no intention for the fees paid to non-executive directors to be significantly increased. The increase is also in line with market practice.

6 Postponement of General Meetings

The New Articles of Association contain new provisions in relation to the Directors’ power to postpone a properly convened general meeting after notice of that meeting has been sent out but before the time at which the meeting is to be held (Article 41). The New Articles of Association allow Directors to inform members of the new arrangements by giving notice as they see fit.

7 Borrowing Powers

The New Articles of Association contain an amendment to the borrowing powers provision (Article 95) to avoid a technical breach of the borrowing limits in relation to the operation of the IFRS 16 leasing standard and the change in treatment of operating leases.

8 Provisions on shares in uncertificated form

The New Articles of Association set out further detail on how the Company may manage uncertificated shares (Article 14) in line with best market practice and the model articles for public limited companies. The New Articles of Association contain additional provisions, such as the Directors’ power to take steps in relation to the evidencing of and the transfer of uncertificated shares (Article 14.5) and the conversion between certificated and uncertificated shares (Article 14.6).

9 Untraced shareholders

The New Articles of Association contain amended provisions in relation to untraced shareholders to bring those provisions more in line with current market practice. Although some of these formalities are no longer required, the New Articles of Association still require the Company to comply with a number of formalities (such as sending notice to the last known physical or email address of the shareholder and using reasonable steps to trace the shareholder) before such shares can be sold (Article 38.1.2) but requirements to advertise in newspapers and notify the London Stock Exchange have been removed in line with market practice and changes in law. Amendments in relation to the sale process have also been made, providing that the net sale proceeds belong to the Company and the untraced shareholder has no further right to claim the proceeds (Article 38.5).

10 Election of persons entitled by transmission

The New Articles of Association have been updated to allow the Company to give notice to a person who becomes entitled to a share by death or bankruptcy of a member, asking them to elect whether to be registered as a member themselves, or to transfer the share to some other person (Article 35.1). If no such election is received within one year of the notice being sent, the Company may register that person as holder of the share (Article 35.3). The intention behind this change is to assist the Company with efficient administration of the register.

11 Failure to supply address

The New Articles of Association allow the Company to stop sending notices to a member whereby notices have been sent to a member on separate occasions during a 12-month period and have been returned undelivered (Article 119.2). The member will be entitled to receive notices once they have supplied a new postal or electronic address.

12 General

The opportunity has been taken generally to incorporate amendments of a minor, technical or clarifying nature, or to clarify minor inconsistencies in certain other parts of the Current Articles of Association. The New Articles of Association also reflect current statutory and regulatory rules and redundant provisions have been removed.