

This document is important and requires your immediate attention, so please read it straight away. If you are not sure what you should do, please consult an appropriate independent adviser. 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 2014 AND CLASS MEETING OF PREFERENCE SHAREHOLDERS

### 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 we will be holding on Thursday 15 May 2014 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The AGM is an important event in the Balfour Beatty calendar and provides the opportunity to update you on performance for the financial year, as well as offering you the opportunity to ask questions and vote on the items of business.

Each chair of your Board's Audit, Risk & Assurance, Business Practices, Nomination and Remuneration Committees will be available at the AGM to answer any questions arising from the work of those Committees.

The AGM will start at 11.00 am and the formal notice of the AGM is set out on pages 6 to 8.

Immediately following the AGM, we will be holding a Class Meeting of the holders of the Company's cumulative convertible redeemable preference shares. The formal notice of the Class Meeting is set out on page 9.

### The business we will consider at the AGM

We will update you on the progress of your Company and conduct certain formal business concerning its governance. The AGM will cover standard matters that are now dealt with at every AGM (resolutions 1 to 16). Resolutions 17 to 21 are similar to those which shareholders have passed in previous years.

Each of the 21 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 explained each resolution in the following pages.

As is usual at the AGM and Class Meeting, I shall invite questions from shareholders present at each of those meetings. It would be helpful if you could send us the details of any proposed questions in advance, although this is not obligatory.

Questions may be sent by post to the Chief Corporate Officer & Company Secretary at the Company's Registered Office or by email to [info@balfourbeatty.com](mailto:info@balfourbeatty.com), with the heading "AGM 2014" or "Class Meeting 2014", as appropriate.

### What to do next

If you hold ordinary shares in Balfour Beatty, you are entitled to vote on the resolutions and attend the AGM. It is important to 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 even if they cannot attend the meeting.

As many of our shareholders are unable to attend the meeting in person, we have decided again this year that 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 by proxy, or who attend the meeting in person, based on the number of shares they hold. The results will be published on the Company's website shortly after the meeting.

If you cannot attend, you can use the white Form of Proxy to nominate someone else to attend the meeting and vote for you, or you can nominate me to vote for you. If you want to appoint a proxy for the AGM, you need to complete and return the white Form of Proxy enclosed with this circular, or register your proxy appointment and voting instructions over the internet, by 11.00 am on Tuesday 13 May 2014. 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 4 and 5. If you complete and return the white Form of Proxy, or register your proxy appointment and voting instructions over the internet, you can still attend the AGM and vote instead of your proxy. Please note that if you hold only preference shares in Balfour Beatty and do not hold any ordinary shares, you are not entitled to vote on any of the resolutions or attend the AGM.

### Class Meeting

If you hold preference shares in Balfour Beatty, you are entitled to vote on the resolution and attend the Class Meeting. If you cannot attend, you can use the blue Form of Proxy to nominate someone else to attend the meeting and vote for you, or you can nominate me to vote for you. If you want to appoint a proxy for the Class Meeting, you need to complete and return the blue Form of Proxy enclosed with this circular, or register your proxy appointment and voting instructions over the internet, by 11.45 am on Tuesday 13 May 2014.

If you complete and return the blue Form of Proxy, or register your proxy appointment and voting instructions over the internet, you can still attend the Class Meeting and vote instead of your proxy.

### Recommendation

Your Directors believe that all the proposed resolutions to be considered at the AGM and Class Meeting 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 in Balfour Beatty.

There is more information about the AGM and the Class Meeting on the following pages.

Yours sincerely



**Steve Marshall**  
Chairman

25 March 2014

Balfour Beatty plc  
Registered Office: 130 Wilton Road,  
London SW1V 1LQ  
Registered in England with number  
395826

We will be holding our AGM on Thursday 15 May 2014 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The meeting will start at 11.00 am and the formal notice of the meeting is set out on pages 6 to 8.

#### **Resolutions 1 to 18**

Each of these resolutions (which we have explained below) will be proposed as an ordinary resolution. For these resolutions to be passed, more than 50% of the votes cast must be in favour.

In these explanatory notes, the references to 18 March 2014 and to 1 July 2015 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 2015, respectively.

#### **1. Directors' Report and Accounts**

The Directors are required to present to the AGM the Company's accounts for the year ended 31 December 2013 and the reports of the Directors and the independent auditor on those accounts. These are all contained in the Company's Annual Report and Accounts 2013 (2013 Annual Report).

#### **2. Directors' Remuneration Report**

The Directors are required to put an ordinary resolution to the AGM seeking approval of the Remuneration Report (other than the Directors' Remuneration Policy) which is contained in the 2013 Annual Report.

Shareholders are reminded that, as the vote is advisory, it does not affect the actual remuneration paid to any individual Director, nor is the entitlement of any individual Director, whether under a service contract or letter of appointment, conditional on the resolution being passed.

#### **3. Directors' Remuneration Policy**

Shareholders are asked to approve the Directors' Remuneration Policy which is set out in full on pages 69 to 73 (inclusive) of the 2013 Annual Report. Once the Directors' Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or prospective Director or payment for loss of office to a current or past Director, unless that payment is consistent with the policy or has been approved by a resolution of the members of the Company.

#### **4. 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 8.5p (net) for each ordinary share. If approved, the final dividend will be paid on 4 July 2014 to holders of ordinary shares who are on the Company's Register of Members on 25 April 2014. The proposed final dividend

will bring the total dividend for 2013 to 14.1p (net) per ordinary share. For 2012, the total dividend was also 14.1p (net) per ordinary share.

#### **5. to 14. Re-election and election of Directors**

All of your Directors who are currently in office will seek re-election or election at the AGM in accordance with the recommendations of the UK Corporate Governance Code.

Each of the Directors brings skills and experience which enhance the quality of debate in the boardroom and provides guidance. The Directors believe that the 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. There are however, specific areas where the non-executive Directors, in particular, bring with them a wealth of insight and, although not exhaustive, some of their most significant strengths are highlighted on page 49 of the 2013 Annual Report.

Following formal performance evaluation, your Board is satisfied that each of the Directors continues to be effective and to demonstrate commitment to the role, including commitment of time for Board and Committee meetings. Belinda Richards and Bill Thomas, both of whom were appointed as non-executive Directors on 1 September 2013, will seek election at this AGM for the first time. Each of them brings experience of related sectors and a sound knowledge of building businesses in an international and professional services environment. Accordingly, your Board believes that the re-election or election of each of the Directors is in the best interests of your Company.

For information about each of your Directors seeking re-election or election, please refer to page 10 of this circular.

#### **15. and 16. Independent auditor**

The Company must appoint an auditor at every general meeting at which accounts are presented to shareholders. Deloitte LLP has indicated its willingness to continue as the Company's auditor for another year. On the recommendation of the Audit, Risk & Assurance Committee, Resolution 15 proposes that Deloitte LLP be reappointed as auditor to the Company. Resolution 16 authorises your Directors to determine the remuneration of the auditor. Seeking separate authorities to reappoint the auditor and to determine their remuneration is in accordance with best practice.

#### **17. Authority to incur political expenditure**

Part 14 of the Companies Act 2006 requires companies to obtain shareholders' authority for political donations in the European Union (EU) 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 in the EU 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 its UK subsidiaries to make political donations and to incur political expenditure up to a maximum aggregate amount of £25,000 in the EU. The authority sought by this resolution will expire at the conclusion of the Company's AGM in 2015 or on 1 July 2015, whichever is the earlier. In line with best practice guidelines published by the Association of British Insurers (ABI), this resolution is put to shareholders annually, rather than every four years as required by the Companies Act 2006.

#### **18. Authority to allot ordinary shares**

The purpose of this resolution is to renew your Directors' authority to allot shares. 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 £114,868,025 representing approximately one-third of the Company's total issued ordinary share capital, exclusive of treasury shares, as at 18 March 2014.

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 £114,868,025. This is in line with the guidelines of the ABI. It is envisaged that, if the additional authority under paragraph (b) of this resolution is utilised, all the Directors would continue to put themselves forward for re-election at the 2015 AGM.

As at 18 March 2014, no shares were held by the Company as treasury shares.

Your Directors have no current plans to exercise this authority other than in relation to the exercise of options under the Company's employee share schemes, or to satisfy any conversion rights exercised by the holders of the Company's preference shares.

Your Directors consider it desirable to have 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 2015 or, on 1 July 2015, whichever is the earlier, although your Directors intend to continue the practice of seeking renewal of this power at each AGM.

#### **Resolutions 19, 20 and 21**

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.

#### **19. Authority to allot ordinary shares for cash**

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.

In accordance with the Pre-Emption Group's Statement of Principles, the resolution seeks approval for the allotment of new ordinary shares of up to a nominal amount of £17,230,203 for cash (which includes the sale of any shares held in treasury), representing 5% of the Company's issued ordinary share capital as at 18 March 2014.

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 2015, or on 1 July 2015, whichever is the earlier. A renewal of this authority will be proposed at each subsequent AGM.

#### **20. Authority for the Company to purchase its own ordinary and preference shares**

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 and just under 15% of the Company's issued preference share capital, calculated by reference to the number of ordinary and preference shares respectively in issue at 18 March 2014. The resolution sets out the lowest and the highest prices the Company can pay for its shares. The authorities expire at the conclusion of the Class Meeting which will follow the Company's AGM in 2015 or, on 1 July 2015, whichever is the earlier.

The Company's Articles of Association require that, to be effective, the holders of the Company's preference shares must also approve the authority. Accordingly, a meeting of holders of preference shares will be held in order to seek their approval for the authority.

This resolution follows investor protection 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 or preference shares at the moment, 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.

During 2013, no ordinary shares or preference shares were purchased for cancellation or to be held as treasury shares under the equivalent authorities granted at the 2013 AGM and Class Meeting of preference shareholders.

As at 18 March 2014, options over a total of 1,569,104 ordinary shares were outstanding and remained unexercised. This represents 0.23% of the Company's issued ordinary share capital at that date. It would represent 0.25% of the Company's issued ordinary share capital if the proposed level of authority to purchase the Company's own shares had been used in full at that date.

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.

#### **21. 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 2013 AGM. If renewed, this approval will be effective until the conclusion of the Company's AGM in 2015, when your Directors intend to seek 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.

#### **Class Meeting**

We will be holding a Class Meeting of holders of preference shares on Thursday 15 May 2014 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The Class Meeting will start at 11.45 am (or, if later, immediately after the completion of the AGM) and formal notice of the meeting is set out on page 9.

The only item to be considered will be proposed as a special resolution, which will require at least 75% of the votes cast to be in favour of the resolution.

The resolution is explained on this page under Resolution 20 "Authority for the Company to purchase its own ordinary and preference shares".



# IMPORTANT INFORMATION FOR SHAREHOLDERS

You (or any appointed proxy) have the right to attend, speak and vote at the AGM and/or the Class Meeting (as the case may be) if you are a holder of ordinary and/or preference shares as shown on the Company's share register at 6.00 pm on Tuesday 13 May 2014 (or, in the event of an adjournment, at 6.00 pm on the date which is two days 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 and/or the Class Meeting.

If you cannot attend the AGM and/or the Class Meeting (as the case may be), you may appoint someone else as your proxy. The number of shares that you hold as at the relevant deadline will determine how many votes you will have directly or through your proxy (or proxies).

## Time and place of meetings

Balfour Beatty's AGM will be held first and will start promptly at 11.00 am on Thursday 15 May 2014 at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ. The Class Meeting will be held at 11.45 am or, if later, immediately after the completion of the AGM and will be held at the same location as the AGM.

Registration for both meetings will start at 10.00 am.

## What you need to bring

Please keep and bring with you the attendance card attached to your Form of Proxy. It will authenticate your right to attend, speak and vote and will speed up your admission. You may also find it helpful to bring this circular with you, so that you can refer to it at the meetings.

## Joint shareholders

All joint shareholders may attend and speak at the meetings. However, only the first shareholder listed on the Register of Members is entitled to vote.

## Shareholders with disabilities

The venue for the meetings has full access for the disabled. As usual, there will be sound amplification to assist those present to follow the proceedings.

## If you are not coming to the meetings

You may appoint a proxy – someone who will attend the AGM and/or the Class Meeting (as the case may be) on your behalf and exercise all or any of your rights to speak and vote – by completing and returning the relevant Form(s) of Proxy, white for the holders of ordinary shares and blue for the holders of preference shares, in accordance with the following instructions.

A proxy need not be a member of the Company.

Before completing the relevant Form(s) of Proxy, please read the following explanatory notes.

## How to complete the Form(s) of Proxy

### 1. Appointing the Chairman as your proxy

For convenience, the appointment of the Chairman 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 Chairman how to vote on the resolutions to be proposed at the AGM or the Class Meeting. These resolutions are set out in the meeting notices from pages 6 to 9 and are explained on pages 2 and 3. He will vote (or withhold his vote) as he thinks fit on any other business which may properly come before the meetings.

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 or the Class Meeting. 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. Appointing someone other than the Chairman as your proxy

If you wish to appoint someone else as your proxy, you should insert the name of your proxy in the space provided.

If necessary, please enter in the box next to the proxy's name the number of shares over which they are authorised to act as your proxy. If left blank, the proxy will have your full voting entitlement.

### 3. Appointing more than one person as your proxy

To appoint more than one person as your proxy, you may photocopy the relevant Form(s) of Proxy in relation to each proxy you wish to appoint. Each Form should clearly indicate the name of the proxy and the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given.

All Forms must be signed and should be returned together in the same envelope.

### 4. 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, Capita Asset Services (see 6 to 8 below) with the authority under which it is signed, or a copy of the authority which has been certified by a solicitor or notary.

### 5. 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).

### 6. Posting details

To be valid, a Form of Proxy, together with any authority (see 4 and 5 above), must be received by Capita Asset Services not later than 11.00 am on Tuesday 13 May 2014 for the holders of ordinary shares, or 11.45 am on Tuesday 13 May 2014 for the holders of preference shares, or if the relevant meeting is adjourned, 48 hours before the time for holding the relevant adjourned meeting. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the relevant meeting.

### 7. UK shareholders

Each UK shareholder should reply by posting a Form of Proxy to Capita Asset Services in the envelope provided. No stamp is required. Alternatively, you may vote electronically via the internet at [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com) (see 10 opposite).

### 8. Shareholders outside the UK

Shareholders with addresses outside the UK should reply by returning their Form(s) of Proxy in an envelope to Capita Asset Services, PXS, 34 Beckenham Road, Kent BR3 4TU, United Kingdom. Alternatively, you may vote electronically via the internet at [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com) (see 10 below).

### 9. Duplicate Forms of Proxy

If Capita Asset Services 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.

### 10. 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](http://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.

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.

### Documents

The formal notice of the AGM on pages 6 to 8 provides details of the documents which are available for inspection prior to and during the AGM.

### General information

Refreshments will be available up to the commencement of the AGM and after the meetings.

For the safety of everybody at our AGM and Class Meeting, you may be asked to provide proof of your identity and to allow our security staff to search any bags or packages. Please allow time for these procedures. You may not be allowed to enter the meetings with recording equipment, cameras, or any other inappropriate item which may interfere with the good order of the meetings. Storage and cloakroom facilities will be provided.

If, having registered, you wish to leave the building, you should first report to the registration desk. If you fail to do this, you may have difficulty gaining readmission. We may refuse entry to persons whose demeanour or behaviour we believe may interfere with the good order of the meetings.

We hope you will understand that these arrangements are for the protection of all shareholders.

If you have any comments or questions concerning either the AGM or the Class Meeting, you can write to the Chief Corporate Officer & Company Secretary either by post to the Company's registered office or by email to [info@balfourbeatty.com](mailto:info@balfourbeatty.com), with the heading "AGM 2014" or "Class Meeting 2014", as appropriate. 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 Registrars clearly stating your registered name and address and, if available, shareholder reference number.

You can obtain the results of the AGM and Class Meeting by telephoning the Company's Registrars after the meetings have ended. The results will also be announced to the UK Listing Authority via a Regulatory Information Service and will appear on the Balfour Beatty website (at [www.balfourbeatty.com](http://www.balfourbeatty.com)) as soon as practicable following the meetings.

### 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 duplicated mailings by combining their records should contact Capita Asset Services (see Shareholder Information page).

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the sixty-ninth Annual General Meeting (AGM) of Balfour Beatty plc (the Company) will be held at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ, on Thursday 15 May 2014 at 11.00 am for the following purposes:

## Ordinary Business

1. To receive and, if thought fit, adopt the Directors' Report and Accounts for the year ended 31 December 2013.
2. To approve the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for the year ended 31 December 2013.
3. To approve the Directors' Remuneration Policy set out on pages 69 to 73 (inclusive) of the Directors' Remuneration Report for the year ended 31 December 2013.
4. To declare a final dividend on the ordinary shares of the Company.
5. To re-elect Mr S Marshall as a Director.
6. To re-elect Mr R M Amen as a Director.
7. To re-elect Mr I G T Ferguson CBE as a Director.
8. To re-elect Mrs V M Kempston Darkes as a Director.
9. To re-elect Mr D J Magrath as a Director.
10. To re-elect Mr A J McNaughton as a Director.
11. To elect Ms B J Richards as a Director.
12. To re-elect Mr G C Roberts as a Director.
13. To elect Mr W G Thomas as a Director.
14. To re-elect Mr P J L Zinkin as a Director.
15. To reappoint Deloitte LLP as auditor.
16. To authorise the Directors to determine the remuneration of the auditor.

## Special Business

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

THAT:

- (a) the Company and those companies which are UK subsidiaries of the Company be authorised for the purposes of Part 14 of the Companies Act 2006 (the 2006 Act) at any time during the period from the date of the passing of this resolution to the conclusion of the AGM to be held in 2015, or on 1 July 2015, 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.

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

THAT:

- (a) the authority conferred on the Directors by Article 8.2 of the Company's Articles of Association be renewed for the period ending at the end of the next AGM or on 1 July 2015, whichever is the earlier, and for such period the Section 551 Amount (as defined in the Company's Articles of Association) shall be £114,868,025; and

- (b) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 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 £114,868,025 in connection with an offer by way of a rights issue, such authority to expire at the end of the next AGM or on 1 July 2015, 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.

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

THAT subject to the passing of Resolution 18:

- (a) the power conferred on the Directors by Article 8.3 of the Company's Articles of Association be renewed for the period referred to in such Resolution 18 and for such period the Section 561 Amount shall be £17,230,203; and
- (b) the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Companies Act 2006 (the 2006 Act)) wholly for cash pursuant to the authority given by paragraph (b) of Resolution 18 above and in connection with a rights issue as if Section 561(1) of the 2006 Act did not apply to such allotment, such power to expire at the end of the next AGM or on 1 July 2015, 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 after the power ends.

For the purposes of this resolution, "rights issue" has the same meaning as in Resolution 18.

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

THAT, subject to and conditional upon the passing of the special resolution set out in the notice dated 25 March 2014 convening a meeting (the Class Meeting) of the holders of the cumulative convertible redeemable preference shares of 1p each in the Company (preference shares) the Company be hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (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) and/or preference 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 68,920,815 and the maximum number of preference shares hereby authorised to be purchased is 16,775,968;

- (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 for a share of the same class (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which such share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003;
- (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 conclusion of the Class Meeting which will follow the AGM of the Company to be held in 2015, or on 1 July 2015, 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).

**21.** 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

**Chris Vaughan**  
Chief Corporate Officer & Company Secretary

Dated 25 March 2014

Registered Office: 130 Wilton Road,  
London SW1V 1LQ  
Registered in England with number 395826

**Notes:**

- (i) As at 18 March 2014 (being the latest practicable date before the publication of this notice) the Company's issued ordinary share capital consisted of 689,208,151 ordinary shares of 50p each carrying one vote each. Therefore, the total ordinary voting rights in the Company as at 18 March 2014 were 689,208,151.
- (ii) Voting at the AGM will be by poll rather than by a show of hands. The Chairman will invite each shareholder and proxy present to complete a poll card indicating how they wish to cast their votes in respect of each resolution. Poll cards will be provided at the meeting and will be collected at the end of the AGM. Once the results have been verified by the Company's Registrars, they will be notified to the UK Listing Authority and published on the Company's website (at [www.balfourbeatty.com](http://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 attend and to speak and vote at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
- (iv) If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0871 664 0300 from the UK (calls cost 10p per minute plus network extras); and +44 20 8639 3399 from outside the UK (Monday to Friday 8.30 am to 5.30 pm, UK time).
- (v) The Company specifies that only those holders of ordinary shares registered in the Register of Members of the Company at 6.00 pm on Tuesday 13 May 2014 will be entitled to attend and/or 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 6.00 pm on Tuesday 13 May 2014 will be disregarded in determining the rights of any person to attend or 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 attending the meeting has the right to ask questions. 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](http://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 338 and Section 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company:
- to give to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the AGM; and/or
  - to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business.
- A resolution may properly be moved or a matter may properly be included in the business unless:
- (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
  - it is defamatory of any person; or
  - it is frivolous or vexatious.
- Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 3 April 2014, being the date six weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
- (xi) 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 8 May 2014, being the date one week before the AGM.
- (xii) Copies of Directors' service contracts and letters of appointment and the Articles of Association of the Company are available for inspection during usual business hours at the registered office of the Company on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the AGM and also at the place of the AGM for at least 15 minutes prior to, and until the conclusion of, the AGM.
- (xiii) 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.
- (xiv) A copy of this notice and other information required by Section 311A of the 2006 Act can be found at [www.balfourbeatty.com](http://www.balfourbeatty.com).
- (xv) If approved, the final dividend on ordinary shares will be paid to holders of ordinary shares registered on the share register of the Company on 25 April 2014. Warrants will be posted on 3 July 2014 payable on 4 July 2014.



# NOTICE OF CLASS MEETING OF PREFERENCE SHAREHOLDERS

Notice is hereby given that a meeting of the holders of the cumulative convertible redeemable preference shares of 1p each in Balfour Beatty plc (the Company) will be held at the Park Plaza Victoria, 239 Vauxhall Bridge Road, London SW1V 1EQ on Thursday 15 May 2014 at 11.45 am or as soon as practicable thereafter as the Annual General Meeting of the Company, convened for the same day at the same place at 11.00 am, shall have been concluded or adjourned, for the following purpose:

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

THAT the holders of the cumulative convertible redeemable preference shares of 1p each in the Company hereby sanction the passing and implementation of Resolution 20 set out in the Company's Notice of Annual General Meeting dated 25 March 2014 and each and every contract to purchase shares entered into within the terms of the authority thereby conferred.

By Order of the Board

**Chris Vaughan**  
Chief Corporate Officer & Company Secretary  
Dated 25 March 2014

Registered Office: 130 Wilton Road,  
London SW1V 1LQ  
Registered in England with number 395826

## Notes:

- (i) As at 18 March 2014 (being the latest practicable date before the publication of this notice) the Company's issued preference share capital consisted of 111,839,795 cumulative convertible redeemable preference shares of 1p each (preference shares) carrying one vote each. Therefore, the total preference voting rights in the Company as at 18 March 2014 were 111,839,795.
- (ii) Voting at the Class Meeting will be by poll rather than by a show of hands. The Chairman will invite each shareholder and proxy present to complete a poll card indicating how they wish to cast their votes in respect of the resolution. Poll cards will be provided at the meeting and will be collected at the end of the Class Meeting. Once the results have been verified by the Company's

Registrars, they will be notified to the UK Listing Authority and published on the Company's website (at [www.balfourbeatty.com](http://www.balfourbeatty.com)).

- (iii) A holder of preference shares is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
- (iv) If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrars on 0871 664 0300 from the UK (calls cost 10p per minute plus network extras); and +44 20 8639 3399 from outside the UK (Monday to Friday 8.30 am to 5.30 pm, UK time).
- (v) The Company specifies that only those holders of preference shares registered in the Register of Members of the Company at 6.00 pm on Tuesday 13 May 2014 will be entitled to attend and/or 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 6.00 pm on Tuesday 13 May 2014 will be disregarded in determining the rights of any person to attend or 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 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 preference shares attending the meeting has the right to ask questions. 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](http://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) 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.
- (xi) A copy of this notice and other information required by Section 311A of the 2006 Act can be found at [www.balfourbeatty.com](http://www.balfourbeatty.com).
- (xii) If a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting will be adjourned to be held at 130 Wilton Road, London SW1V 1LQ on Tuesday 20 May 2014 at 9.00 am.

# BIOGRAPHICAL DETAILS OF DIRECTORS SEEKING RE-ELECTION OR ELECTION

## **Steve Marshall (Resolution 5)** **Non-executive Chairman**

Age 57. Appointed a Director in 2005 and Chairman in May 2008. He is non-executive chairman of Wincanton plc and Biffa Group Holdings Limited, and a non-executive director of Halma p.l.c. He is a former chairman of Delta, Torex Retail and Queens' Moat Houses. He was chief executive of Thorn and of Railtrack Group, having also served as group finance director at each company. His earlier career included a wide range of corporate and operational roles at Grand Metropolitan, Black & Decker, BOC and Burton Group. He is a Fellow of the Chartered Institute of Management Accountants and a member of its governing council.

## **Robert Amen (Resolution 6)** **Non-executive Director**

Age 64. Appointed a Director in 2010. Until 2009, he was chairman and chief executive officer of International Flavors & Fragrances Inc (IFF). Prior to joining IFF in 2006, he spent over 25 years at International Paper in a succession of roles culminating in his appointment as president and member of the board. He was also a director of Wyeth, the US pharmaceutical and healthcare company, until its acquisition by Pfizer in October 2009. He is a non-executive director of New Page Corporation, a US manufacturer of coated papers, and currently serves as an executive-in-residence at Columbia Business School.

## **Iain Ferguson CBE (Resolution 7)** **Senior Independent Director**

Age 58. Appointed a Director in 2010. Until 2009, he was chief executive of Tate & Lyle. Prior to joining Tate & Lyle in 2003, he spent 26 years at Unilever in a succession of roles culminating in his appointment as senior vice-president, corporate development. He is non-executive chairman of Berendsen plc and Stobart Group Limited and a non-executive director of Greggs plc. He is also chairman of Wilton Park, an independent and non-profit making Executive Agency of the British Foreign and Commonwealth Office and lead independent director at the Department for Environment, Food and Rural Affairs. He was formerly a non-executive director of Sygen International.

## **Maureen Kempston Darkes (Resolution 8)** **Non-executive Director**

Age 65. Appointed a Director in 2012. She joined General Motors Corporation in 1975 and held a number of progressively senior roles during her time with the business, culminating in her appointment as group vice-president for General Motors' Latin America, Africa and Middle East operations. She retired from General Motors in 2009. She has a portfolio of non-executive directorships including Brookfield Asset Management, Canadian National Railways, Enbridge Inc and Irving Oil Company. She is a member of the Canadian Government's Science, Technology and Innovation Council.

## **Duncan Magrath (Resolution 9)** **Chief Financial Officer**

Age 49. Appointed to the Board in 2008. He joined Balfour Beatty in 2006 as deputy finance director from Exel. He spent 13 years at Exel in a number of senior finance roles in both the UK and US, latterly as director of investor relations and financial strategy. Prior to this he worked at Price Waterhouse. He is a non-executive director of Brammer plc and a Fellow of the Institute of Chartered Accountants.

## **Andrew McNaughton (Resolution 10)** **Chief Executive**

Age 50. Appointed to the Board as Chief Operating Officer in 2009, he additionally assumed the role of Deputy Chief Executive in 2012 and was appointed Chief Executive in March 2013. He joined Balfour Beatty in 1997, having spent 12 years with the Kier Group, and held the position of managing director of Balfour Beatty Civil Engineering from 2004 to 2007, when he became Group managing director with responsibility for civil engineering in the UK and the Group's interests in the Middle East. He is a Fellow of the Institution of Civil Engineers, a Liveryman in the Worshipful Company of Engineers and a vice-president of the Institution of Civil Engineers. In January 2014, he was appointed a Business Ambassador by the UK Government, to promote British infrastructure capabilities globally.

## **Belinda Richards (Resolution 11)** **Non-executive Director**

Age 55. Appointed a Director on 1 September 2013. Until 2010, she was global head of Deloitte's Merger Integration and Separation Advisory Services business, a business she started and successfully grew. Prior to this, she was vice-president of Cap Gemini, Ernst & Young's Post-Acquisition Integration and Separation Services business, and was previously at KPMG. She is currently a non-executive director of Grainger plc, Resolution Limited and Friends Life Limited and a member of the advisory council of the Centre for the Study of Financial Innovation.

## **Graham Roberts (Resolution 12)** **Non-executive Director**

Age 55. Appointed a Director in 2009. He is chief executive of Assura Group, a UK primary healthcare property company and was formerly finance director of The British Land Company between 2002 and 2011. Prior to that, he spent eight years at Andersen, latterly as a partner specialising in the real estate and government services sectors. He is a Fellow of the Institute of Chartered Accountants.

## **Bill Thomas (Resolution 13)** **Non-executive Director**

Age 54. Appointed a Director on 1 September 2013. Until 2009, he was senior vice-president and general manager, Europe, the Middle East and Africa of Hewlett-Packard. Prior to this, he held a succession of senior roles at Electronic Data Systems (EDS), culminating in his appointment as executive vice-president for EDS Europe, the Middle East and Africa. He is currently a non-executive director of The Co-operative Bank plc, GFI Software SARL and Xchanging plc. He is also chairman of the international advisory board of Cranfield School of Management and a member of the advisory board of Leeds University Business School.

## **Peter Zinkin (Resolution 14)** **Planning and Development Director**

Age 60. Joined the Group in 1981 and became Planning and Development Director in 1991 after a series of senior positions in the finance function. He is responsible for the Group's merger, acquisition and divestment activities as well as the development of Group strategy. Previously, he worked at the London Business School and UMIST. He is a governor of Birkbeck, University of London.

# SHAREHOLDER INFORMATION

## Financial calendar

	2014
23 April	Ex-dividend date for final 2013 ordinary dividend
25 April	Final 2013 ordinary dividend record date
15 May	Annual General Meeting
21 May	Ex-dividend date for July 2014 preference dividend
23 May	July 2014 preference dividend record date
4 June	Final date for receipt of DRIP mandate forms (see below)
1 July	Preference dividend payable
4 July	Final 2013 ordinary dividend payable
14 August*	Announcement of 2014 half-year results
5 December*	Interim 2014 ordinary dividend payable

\* Provisional dates.

## Registrars

All administrative enquiries relating to shareholdings and requests to receive corporate documents by email should, in the first instance, be directed to the Company's Registrars and clearly state your registered address and, if available, your shareholder reference number. Please write to:

Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, Telephone: 0871 664 0300 from the UK (calls cost 10p per minute plus network extras) and +44 20 8639 3399 from outside the UK (Monday to Friday 8.30 am to 5.30 pm, UK time). Alternatively, you can email: [shareholder.services@capita.co.uk](mailto:shareholder.services@capita.co.uk).

They can help you to: check your shareholding; register a change of address or name; obtain a replacement dividend cheque or tax voucher; record the death of a shareholder.

## Dividends and dividend reinvestment plan

Dividends may be paid directly into your bank or building society account through the Bankers Automated Clearing System (BACS). The Registrars can provide a dividend mandate form. A dividend reinvestment plan (DRIP) is offered which allows holders of ordinary shares to reinvest their cash dividends in the Company's shares through a specially arranged share dealing service. Full details of the DRIP and its charges, together with mandate forms, are available at [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com).

## International payment service

Shareholders outside the UK may elect to receive dividends direct into their overseas bank account, or by currency draft, instead of by sterling cheque. For further information, contact the Company's Registrars on +44 20 8639 3405 (from outside the UK) or 0871 664 0385 from the UK (calls cost 10p per minute plus network extras). Lines are open Monday to Friday 9.00 am to 5.30 pm, UK time. Alternatively, you can log on to [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com) and click on the link for International Payment Service.

## Shareholder information on the internet and electronic communications

Our website [www.balfourbeatty.com](http://www.balfourbeatty.com) provides a range of information about the Company, our people and businesses and our policies on corporate governance and corporate responsibility. It 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; download and print shareholder forms.

The Share Portal is easy to use. Please visit [www.balfourbeatty-shares.com](http://www.balfourbeatty-shares.com). Alternatively, you can email: [shareportal@capita.co.uk](mailto:shareportal@capita.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. 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 reports on the Company.

If you receive any unsolicited investment advice:

- always ensure the firm is on the Financial Conduct Authority (FCA) Register and is allowed to give financial advice before handing over your money. You can check via [www.fsa.gov.uk](http://www.fsa.gov.uk)
- double-check the caller is from the firm they say they are – ask for their name and telephone number and say you will call them back. Check their identity 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
- check the FCA's list of known unauthorised overseas firms at [www.fca.org.uk](http://www.fca.org.uk). However, these firms change names regularly, so even if a firm is not listed, it does not mean they are legitimate. Always check that they are listed on the FCA Register
- if you are approached about a share scam, you should inform the FCA using the share fraud reporting form at [www.fca.org.uk](http://www.fca.org.uk), where you can also find out about the latest investment scams or 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, the UK's national fraud reporting centre, at [www.actionfraud.police.uk](http://www.actionfraud.police.uk), or by calling 0300 123 2040.

### Identity Theft

Identity theft has become a growing concern within financial services and poses an increasing threat to investors, including individual shareholders who are at particular risk from this type of fraud. Criminals may steal your personal information, putting your shareholding at risk. You may therefore wish to take the following precautions:

- ensure that all of your share certificates are kept securely in a safe place or hold your shares electronically in CREST via a nominee
- keep all correspondence from the Registrars which shows your shareholder reference number securely in a safe place, or destroy correspondence by shredding. You should only divulge your shareholder reference number if requested to do so by the Registrars or by an appropriate professional adviser (eg your stockbroker or solicitor)
- if you use the Registrars' services via their website, you should ensure that your username and password are kept confidential at all times. Never respond to an email asking you to disclose your online password information
- if you change address, please inform the Registrars. If you receive a letter from the Registrars regarding a change of address and have not recently moved, please contact them immediately as you may be a victim of identity theft
- make sure that you know when the Company pays its dividends and consider having them paid directly into your bank or building society account through BACS, if you have not already done so. This will reduce the risk of your cheque being intercepted or lost in the post. If you change your bank or building society account, please inform the Registrars of the details of your new account. If, for example, a dividend payment or share certificate is late, please telephone the Registrars immediately and check the address to which it has been sent.

Please respond to any letters that the Registrars send you about any of these issues

- if you are buying or selling shares, only deal with brokers registered in your country of residence or the UK.

### Gifting shares to your family or to charity

To transfer shares to another member of your family as a gift, please ask the Registrars 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. The relevant share transfer form may be obtained from the Registrars. For more information, visit [www.sharegift.org](http://www.sharegift.org).

### Share dealing services

Capita Share Dealing Services (a trading name of Capita IRG Trustees Limited) provide a telephone and online share dealing service for UK and EEA resident shareholders. To use this service, telephone: 0871 664 0364 from the UK (calls cost 10p per minute plus network extras) and +44 20 3367 2686 from outside the UK (Monday to Friday 8.00 am to 4.30 pm, UK time). Alternatively, you can log on to [www.capitadeal.com](http://www.capitadeal.com).

Capita IRG Trustees Limited is authorised and regulated by the Financial Conduct Authority and is also authorised to conduct cross-border business within the EEA under the provisions of the EU Markets in Financial Instruments Directive.

### London Stock Exchange codes

The London Stock Exchange Daily Official List (SEDOL) codes are: Ordinary shares: 0096162. Preference shares: 0097820.

The London Stock Exchange ticker codes are: Ordinary shares: BBY. Preference shares: BBYB.

### 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](http://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](mailto:info@balfourbeatty.com).

Balfour Beatty plc Registered Office:  
130 Wilton Road, London SW1V 1LQ  
Registered in England with number 395826.

# Balfour Beatty

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