

**This document is important and requires your immediate attention. If you are in any doubt about its contents you should consult your independent financial adviser. If you have sold or transferred all of your Chemring Group PLC ordinary shares you should send this document and all accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.**

**Dear shareholder**

## **ANNUAL GENERAL MEETING OF CHEMRING GROUP PLC**

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I am pleased to inform you that the Company's 2017 annual report and accounts has now been published.

If you have requested a copy of the 2017 annual report and accounts, it is enclosed with this letter, together with the Notice of Annual General Meeting and any other associated documents. If you requested to receive the annual report and accounts electronically or did not return the election card previously sent to you, please accept this letter as notification that the 2017 annual report and accounts and associated documents have been published on our website ([www.chemring.co.uk](http://www.chemring.co.uk)), and can be accessed by clicking on the investors section on the home page. If you have only recently become a shareholder in Chemring Group PLC, we will write to you shortly regarding your options for shareholder communications.

This year's Annual General Meeting will be held on Tuesday 20 March 2018 at 11.00am at the offices of Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ. The formal Notice of the Meeting, together with the explanatory notes concerning each of the resolutions, is enclosed with this letter if you have elected for a hard copy, or is available on the Company's website ([www.chemring.co.uk](http://www.chemring.co.uk)).

### **Poll voting**

Voting at the 2018 Annual General Meeting will be conducted by way of a poll. This reflects best corporate governance practice and allows those shareholders who are not able to attend the Annual General Meeting but who vote by proxy to have their votes fully recognised. Any directors appointed as proxies will cast their votes as directed by shareholders. The poll results will be published on the Company's website ([www.chemring.co.uk](http://www.chemring.co.uk)) and notified to the UK Listing Authority as soon as practicable following the conclusion of the meeting.

### **Resolutions**

I would like to draw your attention in particular to the following resolutions:

#### **Resolutions 4 to 10**

Resolutions 4 to 10 relate to the re-election of directors. In accordance with the Company's articles of association, all directors are submitting themselves for re-election at the Annual General Meeting.

Biographical details for the directors can be found in the notes accompanying the resolutions.

As Chairman, I confirm on behalf of the Board, that each of the directors continues to demonstrate commitment to their role and to make an effective and valuable contribution to the Board. Accordingly, I have no hesitation in recommending their re-election to shareholders.

My fellow Board members have concluded that I also continue to demonstrate commitment to my role and to make an effective and valuable contribution to the Board, and are therefore recommending my re-election to shareholders.

#### **Resolution 14**

Resolution 14 is seeking authority from shareholders to approve the Chemring Group 2018 UK Sharesave Plan (the "2018 Sharesave Plan").

The 2018 Sharesave Plan is a HM Revenue & Customs approved all-employee savings-related share option arrangement, and will replace the current plan which expires this year.

A summary of the principal terms of the 2018 Sharesave Plan is set out at Appendix I to the Notice of Annual General Meeting, and the full text of the 2018 Sharesave Plan will be available for inspection at the Annual General Meeting.

## Recommendation

The Board considers that all the resolutions being proposed are in the best interests of the shareholders and will promote the success of the Company, and accordingly recommends that you vote in favour of each of the resolutions, as the directors intend to do in respect of their own beneficial holdings amounting to 417,016 shares, representing 0.15% of the issued ordinary share capital of the Company as at 2 February 2018.

## Action to be taken

If you are able to attend the meeting, we will be delighted to see you. If, however, you are not able to attend the meeting in person, your vote is still important and I would urge you, regardless of the number of shares you own, to appoint a proxy. You may complete a proxy form electronically by accessing our registrars' website at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Alternatively, you can complete your paper proxy form and return it to the registrars, Computershare Investor Services PLC. Further details are set out in the proxy form. Please note that all proxy forms, whether completed electronically or on paper, must arrive at the registrars not later than forty-eight hours before the time appointed for holding the Annual General Meeting. However, the completion and return of a proxy form will not prevent you from attending the Annual General Meeting and voting in person, should you wish to do so.

Yours sincerely

**Carl-Peter Forster**

Chairman

15 February 2018