

**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**

I am pleased to inform you that the Company's 2014 annual report has now been published.

If you have requested a copy of the 2014 annual report, 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 electronically or did not return the election card previously sent to you, please accept this letter as notification that the 2014 annual report and associated documents have now 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 Thursday 19 March 2015 at 11.00 am at Investec, 2 Gresham Street, London EC2V 7QP. 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.

### **Poll voting**

In line with market practice, voting at the 2015 Annual General Meeting will be conducted by way of a poll. This reflects best practice and allows those shareholders who are not able to attend the Annual General Meeting 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 will be 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:

#### **Resolution 3**

This resolution deals with the declaration of the final dividend of 1.7p per ordinary share proposed to be paid on 8 May 2015 (subject to shareholder approval) to shareholders on the register of members at the close of business on 17 April 2015. The final dividend is stated per ordinary share.

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

Resolutions 4 to 10 relate to the election and re-election of directors. Michael Flowers is standing for election by the shareholders, following his appointment by the Board during the year. In addition, in order to ensure compliance with the UK Corporate Governance Code, all other directors, with the exception of Vanda Murray, are voluntarily submitting themselves for re-election at the Annual General Meeting. Vanda will step down as a director at the Annual General Meeting. Biographical details for the directors standing for election and re-election can be found in the notice of meeting.

As Chairman, I confirm on behalf of the Board, that each of the directors standing for election or re-election 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 election or re-election to the 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 they are therefore recommending my re-election to shareholders.

**Recommendation**

The Board considers that all of 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 they intend to do in respect of their own beneficial holdings amounting to 429,055 shares, representing 0.22% of the issued ordinary share capital of the Company.

**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.eproxyappointment.com](http://www.eproxyappointment.com). 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

**Peter Hickson**

Chairman

12 February 2015