

IVC:

1 June 2020

Dear Shareholder,

**BALFOUR BEATTY PLC (the Company)
Notice of Redemption of Cumulative Convertible Redeemable Preference Shares of 1p each (Preference Shares)**

Our records show that you are the registered holder(s) of Preference Shares issued by the Company as shown below.

Your current holding of Balfour Beatty plc Preference Shares	
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The Company hereby gives notice that, in accordance with Article 4.1.6(i) of the Company's Articles of Association (the **Articles**), it intends to redeem the Preference Shares in full at 100p per Preference Share (the **Redemption Amount**) together with accrued interest to the date of repayment at 5.375p per Preference Share (the **Accrued Interest**) on 1 July 2020 (the **Redemption Date**).

The Company will make settlement to you of the Redemption Amount and the Accrued Interest on the Redemption Date as follows:

If you hold Preference Shares in uncertificated form in CREST, you will automatically receive the Redemption Amount through CREST on the Redemption Date. You therefore do not need to take any action to receive the Redemption Amount.

If you hold Preference Shares in certificated form, you will receive the Redemption Amount by cheque, which is expected to be posted on the Redemption Date by first class post, to the address recorded for you in the Company's register of members.

Please note that to receive the Redemption Amount you are required to surrender your original Preference Share certificate(s) and return these together with this letter to Link Asset Services, Corporate Actions Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 23 June 2020.

If some or all of your certificate(s) have been lost or you are unable to locate them please complete the Balfour Beatty plc Lost Share Certificate Deed of Indemnity in the Appendix to this letter with the details of the certificate(s) you are unable to locate and arrange for all shareholders to sign before returning it together with this letter to Link Asset Services, Corporate Actions Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 23 June 2020.

Please note that the certificate(s) will cease to have any value after the Redemption Date.

Payment of the Accrued Interest is also due on the Redemption Date and will be sent to you separately through CREST, by cheque or directly to your nominated account if you have given the appropriate written instruction.

For the avoidance of doubt, all outstanding Preference Shares will be repaid on the Redemption Date and such Preference Shares will cease to bear interest as from that date.

Upon return by certificated shareholders of their share certificate(s) or the Lost Share Certificate Deed of Indemnity, payment of the Redemption Amount to all holders shall constitute an absolute discharge of the Company in respect thereof in accordance with Article 4.1.6(xiii).

Please provide a contact telephone number should Link Asset Services need to contact you in case of any query:

Should you have any queries concerning this notice of redemption please contact the Registrars, Link Asset Services, on +44 (0) 371 664 0321 (Link Asset Services is the trading name of Link Market Services Limited). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am and 5.30 pm, Monday to Friday excluding public holidays in England and Wales; calls may be recorded and monitored for security and training purposes. Alternatively, enquiries may be sent by email to: shareholderenquiries@linkgroup.co.uk

Please note that neither the Company nor Link Asset Services are able to provide shareholders with any financial, legal or tax advice. If you have any such queries then you should contact your accountant, solicitor or tax adviser.

Yours faithfully



Director

For and on behalf of Balfour Beatty plc

APPENDIX:

The Directors
Balfour Beatty plc (the Company)
c/o Link Asset Services
34 Beckenham Road
Beckenham
Kent
BR3 4TU

IVC:

1 June 2020

Dear Directors,

Balfour Beatty plc Lost Share Certificate Deed of Indemnity Form

1. I/We confirm that the original share certificate(s) for the undermentioned Cumulative Convertible Redeemable Preference Shares of 1p each in the capital of the Company (Preference Shares), all of which are registered in my/our name, has been lost, mislaid, damaged or destroyed.

Certificate number(s)	Number of Preference Shares	Name(s) and address of shareholder(s)
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.....
.....

2. I/We hereby confirm that:
 - 2.1 I/we are the registered legal and beneficial owner of the Preference Shares;
 - 2.2 I/we are the only person(s) named in the original share certificate(s) and entitled to be registered in the register of members of the Company as holders of the Preference Shares; and
 - 2.3 none of the Preference Shares nor the certificate(s) for them have been transferred, charged, lent, sold, deposited or otherwise dealt with in any manner affecting my/our absolute title (legal and beneficial) to the Preference Shares.
3. In return for the payment by the Company of the Redemption Amount (as defined in the notice of redemption dated 1 June 2020), I/we hereby irrevocably and unconditionally undertake for the purposes of the Company Articles in accordance with Article 4.1.6(ii):
 - 3.1 to indemnify and to keep indemnified the Company on an after-tax basis from and against all actions, losses, liabilities, proceedings, claims, demands, costs and expenses which may arise by reason of the original certificate remaining outstanding or by reason of the payment of the Redemption Amount without the production of the original certificate(s); and
 - 3.2 to deliver the original certificate to the Company for cancellation or permanently destroy such certificate(s) should it ever be recovered.
4. This indemnity will continue in force even if the original certificate(s) is returned to the Company.
5. This indemnity applies irrespective of whether the number and date of the original certificate(s) are known.
6. This indemnity shall be binding upon me/us and my/our successors.
7. The terms of this indemnity and any disputes or claims (including non-contractual disputes or claims) arising out of, or in connection with, its subject matter are governed by and construed in accordance with the laws of England and Wales.
8. I/We agree that this Deed of Indemnity will not be used to provide me/us with a replacement share certificate.
9. I/We understand that Link Asset Services will bear no responsibility for the purposes of the Deed of Indemnity.
10. I/We acknowledge that this Deed of Indemnity is a document produced by the Company and is in no way affiliated with Link Asset Services.
11. I/We understand that the purpose of this Deed of Indemnity provided by the Company is to only fulfil the requirements of the Company Articles in accordance with Article 4.1.6(ii) and is deemed to be used for no other purpose.

This indemnity has been delivered as a deed on the date stated on the beginning of it.

Signatory:

SIGNED as a DEED by:

SHAREHOLDER 1 NAME

SIGNATURE OF SHAREHOLDER 1

SHAREHOLDER 2 NAME

SIGNATURE OF SHAREHOLDER 2

SHAREHOLDER 3 NAME

SIGNATURE OF SHAREHOLDER 3

SHAREHOLDER 4 NAME

SIGNATURE OF SHAREHOLDER 4

OR

OR

NAME OF COMPANY

NAME OF AUTHORISED SIGNATORY

SIGNATURE OF AUTHORISED SIGNATORY

NAME OF AUTHORISED SIGNATORY

SIGNATURE OF AUTHORISED SIGNATORY

in the presence of:

NAME OF WITNESS:

SIGNATURE OF WITNESS

ADDRESS OF WITNESS:

OCCUPATION OF WITNESS:

Companies will be required to sign as per their Company's Authorised Signatory List and provide a copy with this form to enable the signatures provided to be verified.

Note to registered holder: Please arrange for this Deed of Indemnity to be completed, signed, witnessed and dated and returned to the Company at the address first stated above. Please insert an alternative execution clause if the clause above is not appropriate for your chosen method of execution.