



CHEMRING GROUP PLC

Chemring House, 1500 Parkway, Whiteley,
Fareham, Hampshire PO15 7AF England
Tel: +44 (0)1489 881880 Fax: +44 (0)1489 881123
www.chemring.co.uk

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 2009 Annual Report and Accounts has now been published.

If you have requested a hard copy of the Company's 2009 Annual Report and Accounts, it is enclosed with this Notice together with the associated documents. If you requested to receive the 2009 Annual Report and Accounts electronically or did not return the election card previously sent to you, please accept this letter as notification that the 2009 Annual Report and Accounts and associated documents have now been published on our website (www.chemring.co.uk) and can be accessed via the home page and then clicking on the investors section. 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 Wednesday 17 March 2010 at 2.30pm at The Solent Hotel, Rookery Avenue, Whiteley, Fareham, Hampshire PO15 7AJ. 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. I would like to draw your attention in particular to the following resolutions:

Resolutions 4 and 5: Re-election of directors

The Rt Hon Lord Freeman is standing for re-election this year. The Rt Hon Lord Freeman's current appointment as a non-executive director expires on 25 May 2012. He has served as a non-executive director since 2006, has considerable knowledge of the industry in which the Group operates, and his experience and contacts continue to be of value to the Board. Accordingly, the Board remains satisfied that his performance continues to be effective and I have no hesitation in recommending the re-election of this director to the shareholders.

I am also standing for re-election. My fellow non-executive directors have concluded that I also continue to make an effective and valuable contribution to the Board and demonstrate commitment to my role, and they are therefore recommending my re-election to the shareholders. The search for a successor on my retirement has commenced however, and shareholders will be advised as progress is made in this area.

Resolution 7: Amendments to the rules of the Chemring Group Performance Share Plan

The Company operates the Chemring Group Performance Share Plan (the "Plan") as its primary long term incentive arrangement for the executive directors and other senior employees of the Group.

Under the terms of the Plan, selected individuals may be granted a conditional award of ordinary shares in the Company, such awards ordinarily vesting on the third anniversary of grant subject to the award holder's continued employment within the Group and the satisfaction of a challenging performance condition.

The Plan was introduced in 2006 when the Company was a Small Cap company and the current annual award limit of 100% of base salary was set accordingly at such time.

Following a recent review undertaken by the Company's Remuneration Committee (the "Committee"), it is proposed that the individual annual award limits under the Plan be changed to permit annual awards over shares worth in aggregate up to 150% of base salary in normal circumstances, or up to 200% of base salary in exceptional circumstances (e.g. recruitment). As the Company is now an established FTSE 250 company, the Committee concluded that these proposed limits would be more appropriate and in line with market norms.

Assuming shareholder approval is received for the proposed change to the rules of the Plan, the initial grant policy under the revised limits would be for grants worth no more than 125% of base salary to be awarded in normal circumstances. Any proposed change from this policy in future years will be disclosed in the Directors' Remuneration Report section of the Annual Report and Accounts for the relevant year.

The Committee has consistently set highly challenging earnings per share performance targets for awards under the Plan and envisages this remaining the case going forward. It also intends to apply a more challenging target for full vesting of any award granted above the existing 100% of salary limit than will apply to awards worth up to 100% of base salary. Details of the targets that will apply to the annual awards this year are set out in the Directors' Remuneration Report section of the 2009 Annual Report and Accounts.

Resolution 7 seeks shareholders approval for the changes required to the rules of the Plan in relation to the proposed changes in the annual awards limits noted above.

Resolution 11

This resolution relates to amendments to the Company's constitution to take account of the recent implementation of the last parts of the Companies Act 2006. A summary of the principal amendments is set out in the appendix to the Notice of the 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 set out in the Notice of the meeting, as they intend to do in respect of their own beneficial holdings amounting to 375,096 shares, representing 1.06% 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. 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



Ken Scobie
Chairman
2 February 2010