

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Ultra Electronics Holdings plc (the "Company") will be held at 417 Bridport Road, Greenford, Middlesex UB6 8UA on Friday 27 April 2012 at 10.00am for the following purposes:

## Ordinary business

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

### **Resolution 1:**

To receive the Company's annual accounts for the financial year ended 31 December 2011 together with the Directors' report and Auditors' report on those accounts and that section of the Remuneration report subject to audit.

### **Resolution 2:**

To declare a final dividend for the year ended 31 December 2011 of 26.8p per ordinary share, payable on 4 May 2012 to shareholders on the register of members at the close of business on 13 April 2012.

### **Resolution 3:**

To approve the Remuneration report for the financial year ended 31 December 2011.

### **Resolution 4:**

To re-elect Mr D. Caster as a Director, in accordance with the 2010 UK Corporate Governance Code.

### **Resolution 5:**

To re-elect Mr C. Bailey as a Director, in accordance with the 2010 UK Corporate Governance Code.

### **Resolution 6:**

To re-elect Mr. I. Griffiths as a Director, in accordance with the 2010 UK Corporate Governance Code.

### **Resolution 7:**

To re-elect Sir Robert Walmsley as a Director, in accordance with the 2010 UK Corporate Governance Code.

### **Resolution 8:**

To re-elect Mr. P. Dean as a Director, in accordance with the 2010 UK Corporate Governance Code.

### **Resolution 9:**

To re-elect Mr. R. Sharma as a Director, in accordance with the 2010 UK Corporate Governance Code.

### **Resolution 10:**

To re-elect Mr. M. Anderson as a Director, retiring in accordance with Article 83.1(a) of the Company's Articles of Association.

### **Resolution 11:**

To re-appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

### **Resolution 12:**

To authorise the Directors to determine the remuneration of the auditors.

## Special business

To consider and, if thought fit, to pass the following resolutions of which resolution 13 will be proposed as an ordinary resolution and resolutions 14 to 16 (inclusive) will be proposed as special resolutions:

### **Resolution 13:**

That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to Section 551, Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £1,149,936 (approximately one third of the issued share capital of the Company), provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.



## Special business (continued)

### **Resolution 14:**

That the Directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by resolution 13 above, and/or by way of a sale of treasury shares for cash (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment provided that:

(a) the power conferred by this resolution shall be limited to:

(i) the allotment of equity securities or sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities:

(A) to holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and

(B) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(ii) in the case of the authority granted under resolution 13 and/or in the case of any sale of treasury shares for cash, the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities or sale of treasury shares up to an aggregate nominal value equal to £172,490; and

(b) unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted or treasury shares sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if this power had not expired.

### **Resolution 15:**

That the Company be generally and unconditionally authorised for the purposes of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares provided that:

(a) the maximum aggregate number of ordinary shares authorised to be purchased is 3,449,810 (representing 5% of the issued share capital);

(b) the minimum price which may be paid for an ordinary share is 5p;

(c) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which that ordinary share is contracted to be purchased;

(d) this authority expires at the conclusion of the next Annual General Meeting of the Company or within 18 months from the date of the passing of this resolution whichever is earlier; and

(e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority.

### **Resolution 16:**

That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

## Notes on Resolutions 4 to 10

### **Resolution 4**

Full biographical details for Douglas Caster can be found on page 42 of the Annual Report and Accounts 2012. He is standing for re-election at this Annual General Meeting in accordance with Provision B.7.1 of the UK Corporate Governance Code. The Board continues to believe that his long experience and outstanding track record of service are of great value to the Company. The other Directors confirm that following the performance evaluation carried out during 2011, Mr Caster continues to be effective and to demonstrate commitment to his role as Chairman and as a Non-Executive Director. The Board recommends to shareholders that he should be re-elected.

### **Resolution 5**

Full biographical details for Chris Bailey can be found on page 42 of the Annual Report and Accounts 2012. He is standing for re-election at this Annual General Meeting in accordance with Provision B.7.1 of the UK Corporate Governance Code. The Board continues to believe that his experience of senior financial management in other organisations and his service to the Company both as a Non-Executive Director and as Chairman of the Audit, Remuneration and Nominations Committees are of great value. The Chairman confirms that following the performance evaluation carried out during 2011, Mr Bailey continues to be effective and to demonstrate commitment to his role. The Board recommends to shareholders that he should be re-elected.

**Notes on Resolutions 4 to 10 (continued)****Resolution 6**

Full biographical details for Ian Griffiths can be found on page 43 of the Annual Report and Accounts 2012. He is standing for re-election at this Annual General Meeting in accordance with Provision B.7.1 of the UK Corporate Governance Code. The Board continues to believe that his experience of senior management in other organisations and his service to the Company both as a Non-Executive Director and as a member of the Audit, Remuneration and Nominations Committees are of great value. The Chairman confirms that following the performance evaluation carried out during 2011, Mr Griffiths continues to be effective and to demonstrate commitment to his role. Recognising that Mr Griffiths will have completed 9 years on the Board at this AGM the Board is seeking a suitable replacement and expects to make an appointment after this AGM. In these circumstances the Board recommends to shareholders that Mr Griffiths should be re-elected in the interim.

**Resolution 7**

Full biographical details for Sir Robert Walmsley can be found on page 43 of the Annual Report and Accounts 2012. He is standing for re-election at this Annual General Meeting in accordance with Provision B.7.1 of the UK Corporate Governance Code. The Board continues to believe that his experience in senior positions both in the Royal Navy and in the Ministry of Defence together with his service in non-executive positions on the boards of other organisations and his service to the Company both as a Non-Executive Director and as a member of the Audit, Remuneration and Nominations Committees are of great value. The Chairman confirms that following the performance evaluation carried out during 2011, Sir Robert continues to be effective and to demonstrate commitment to his role. The Board recommends to shareholders that he should be re-elected.

**Resolution 8**

Full biographical details for Paul Dean can be found on page 42 of the Annual Report and Accounts 2012. He is standing for re-election at this Annual General Meeting in accordance with Provision B.7.1 of the UK Corporate Governance Code. The Board recommends to shareholders that he should be re-elected.

**Resolution 9**

Full biographical details for Rakesh Sharma can be found on page 42 of the Annual Report and Accounts 2012. He is standing for re-election at this Annual General Meeting in accordance with Provision B.7.1 of the UK Corporate Governance Code. The Board recommends to shareholders that he should be re-elected.

**Resolution 10**

Mark Anderson joined the Company in May 2011 in the post of Strategy Director, Sonar & Undersea Systems in the Group's Tactical & Sonar Systems division.

Prior to joining Ultra, he served for 37 years in the Royal Navy and retired in the rank of Rear Admiral. He began his career in engineering and subsequently moved on to sea command. Having spent much of his early career in the submarine service, he commanded the nuclear submarine HMS Talent and subsequently the Type 23 Frigate HMS Marlborough.

He was involved in two Defence Reviews, including the defence acquisition reform process that informed the 2010 Strategic Defence and Security Review. He also served in logistics and acquisition posts and other staff positions, among them the Chief of Defence Staff's Liaison Officer to the US Chairman of the Joint Chiefs. His final appointment in the Navy was as Fleet Commander (Operations), responsible for coordination of all of the day-to-day operations of the Royal Navy worldwide, and, as Rear Admiral Submarines, head of the UK submarine service.

Mark Anderson will join the Board on 2 April 2012. Under Article 83.1(a) of the Company's Articles of Association he will retire at this Annual General Meeting and offers himself for re-election. The Board recommends to shareholders that he should be re-elected

## **Explanation of resolutions 13 to 16**

### **Resolution 13**

This resolution authorises the Directors to allot shares in the Company up to a maximum nominal amount of £1,149,936 representing approximately one third of the issued share capital of the Company. The authority expires on the earlier of the date falling 18 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting.

### **Resolution 14**

This resolution authorises the Directors in certain circumstances to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount representing approximately 5% of the total issued share capital of the Company as at 24 February 2012, being the latest practicable date before the publication of the Notice of AGM. The resolution complies with the latest issued guidelines of the Association of British Insurers, and is similar to authorities given previously. This authority, and that requested in Resolution 13, expire on the earlier of the date falling 18 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting of the Company. The Directors have no current intention to exercise the authorities sought by these resolutions except for employee share schemes.

### **Resolution 15**

This resolution authorises the Directors to purchase up to a total of 3,449,810 of the Company's shares, representing 5% of the issued share capital of the Company as at 24 February 2012, being the latest practicable date before the publication of the Notice of AGM. Shares so purchased may be cancelled or held as treasury shares. This authority expires on the earlier of 18 months from the date of passing this resolution or the conclusion of the next Annual General Meeting of the Company.

The Directors will use the share purchase authority with discretion, when they consider such purchase to be in the best interests of the Company. In reaching a decision to purchase shares of the Company the Directors would take account of the Company's business and any impact on earnings per share and net tangible assets per share, as well as all other relevant factors. The Directors have no current intention to exercise the authority sought by this resolution.

The minimum price that can be paid for an ordinary share is 5p being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

As at 24 February 2012 being the latest practicable date before publication of the Notice of AGM, there were outstanding options under the Company's discretionary share incentive plans and employee share savings schemes in respect of 1,322,172 ordinary shares of the Company, representing approximately 1.92% of the Company's issued ordinary share capital (there are no treasury shares). If the authority to purchase the Company's ordinary shares were exercised in full, such options would represent 2.02% of the Company's issued ordinary share capital.

### **Resolution 16**

This resolution authorises a reduction in the minimum notice period for general meetings, other than annual general meetings. Whilst the Company's Articles of Association already provide for a minimum notice period of 14 days for general meetings, the Companies Act 2006 (as amended by the EU Shareholder Rights Directive) requires that the Company requests shareholders to authorise this minimum notice period at every Annual General Meeting in order to be able to take advantage of this provision.

#### **By order of the Board**

**D. Garbett-Edwards**, *Company Secretary*

27 March 2012

Registered Office: 417 Bridport Road, Greenford, Middlesex UB6 8UA

## Notes

1. Only those members entered in the register of members of the Company as at 6.00pm on Wednesday 25th April 2012 shall be entitled to attend and vote at the above meeting. Changes to entries in the register of members after 6.00pm on Wednesday 25th April 2012 shall be disregarded in determining the rights of any person to attend and vote at the meeting. These requirements reflect Part 13 of the Act and Regulation 41 of The Uncertificated Securities Regulations 2001 (as amended).
2. A member of the Company who wishes to attend the meeting in person should arrive at 417 Bridport Road, Greenford, Middlesex UB6 8UA in good time before the meeting, which will commence at 10.00am. In order to gain admittance to the meeting, members may be required to prove their identity.
3. A member may appoint a proxy (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. You can appoint the Chairman of the meeting or anyone else to be your proxy at the AGM. You can also, if you wish, appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. A proxy must attend the AGM in order to represent you, and must vote in accordance with your instructions. A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the AGM or any other person as proxy.
4. To be effective, the form of proxy and any authority under which it was executed (or a notarially certified copy of such authority) must be deposited with the Company's Registrars Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL not less than 48 hours before the time fixed for the meeting. Completion of the enclosed proxy form will not preclude shareholders from attending and voting at the meeting in person.  
Members who prefer to register the appointment of their proxy electronically via the internet can do so through Equiniti's website at [www.sharevote.co.uk](http://www.sharevote.co.uk) where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder reference number printed on the Form of Proxy will be required in order to use this electronic proxy appointment system. Alternatively, members who have already registered with Equiniti's on-line portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on "Company Meetings". A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 10.00am on 25th April 2012.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 27th April 2012 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.  
In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.  
CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of 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).
6. Copies of the Register of Interests of Directors (and their families) in the share capital of the Company, the Directors' service contracts, the non-executive Directors' letters of appointment, the Terms of Reference of the sub-committees of the board of Directors and a copy of the Company's Articles of Association will be available for inspection at the registered office of the Company from the date of this notice until the completion of the AGM and at the place of the meeting for at least 15 minutes prior to and during the meeting.
7. If you are a person who has been nominated by a member to enjoy information rights in accordance with section 146 of the Act, Notes 3 to 5 above do not apply to you but you may have a right under an agreement between you and the member by whom you were nominated to be appointed or to have someone else appointed, as a proxy for the meeting. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
8. As at 24 February 2012 (being the latest practicable date before publication of this Notice) the Company's issued share capital consists of 68,996,210 ordinary shares, carrying one vote each. No shares were held in treasury. Therefore, the total voting rights in the Company as at 24 February 2012 are 68,996,210.
9. This Notice of Annual General Meeting together with the information listed below, is available on the Company's website [www.ultra-electronics.com/investors/irhome.php](http://www.ultra-electronics.com/investors/irhome.php)
  - (a) the matters set out in the notice of the meeting;
  - (b) the total numbers of:
    - (i) shares in the Company, and
    - (ii) shares of each class,in respect of which members are entitled to exercise voting rights at the meeting;
  - (c) the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class;
  - (d) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which notice of the meeting is given.
10. Members attending the AGM have the right to ask, and, subject to the provisions of the Act, the Company must cause to be answered, any questions relating to the business being dealt with at the AGM.
11. It is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) 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 AGM; or (b) 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 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 Act. Where the Company is required to place a statement on a website under section 527 of the 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 AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
12. In accordance with section 338 of the Act, a member or members of the Company may (provided that the criteria set out in section 338(3) of the Act are met) require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at the AGM, provided that: (a) the resolution must not be, if passed, ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); and (b) the resolution must not be defamatory of any person, frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must be authenticated by the person or persons making it, must identify the resolution of which notice is to be given and must be received by the Company not later than 6 weeks before the AGM, or, if later, the time at which notice is given of the AGM. (In the foregoing sentence, the terms "hard copy form", "electronic form" and "authenticated" bear their respective meanings set out in the Act in relation to a communication, or a document or information sent or supplied, to a company.)
13. In accordance with section 338A of the Act, a member or members of the Company may (provided that the criteria set out in section 338A(3) of the Act are met) require the Company to include in the business to be dealt with at the AGM a matter (other than a proposed resolution) which may properly be included in the business of AGM, provided that the matter is not defamatory of any person, frivolous or vexatious. A request may be in hard copy form or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person or persons making it and must be received by the Company not later than 6 weeks before the AGM, or, if later, the time at which notice is given of the AGM. (In the foregoing sentence, the terms "hard copy form", "electronic form" and "authenticated" bear the respective meanings set out in the Act in relation to a communication, or a document or information sent or supplied, to a company.)
14. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: Either by the appointment of a proxy (described in Notes 3 to 5 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provisions of the Act.
15. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.



Registered Office:

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