

No. 00753964

**THE COMPANIES ACT 2006**

**WRITTEN RESOLUTION**

of

**BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED**

*Circulation date: 30 September 2008*

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, BAE Systems plc, being a member of the above-named company (the "**Company**"), proposes that the following resolution (the "**Resolution**") is passed as a special resolution as set out below

**SPECIAL RESOLUTION**

Pursuant to section 9 of the Companies Act 1985, the Articles of Association of the Company are altered by inserting the following as new Articles 103 and 104

**"CONFLICTS OF INTERESTS**

- 103 (A) If a situation arises or exists on or after 1 October 2008 in which a Director has or could have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (other than an interest arising in relation to a transaction or arrangement with the Company or in circumstances which cannot reasonably be regarded as likely to give rise to a conflict of interest) the relevant Director, or any other Director, may propose to the board that such situation be authorised, such proposal to be made in writing and delivered to the other Directors or made orally at a meeting of the board, in each case setting out particulars of the relevant situation. Subject to the Companies Act 2006 (the "**2006 Act**"), the Directors may authorise such situation and the continuing performance by the relevant Director of his or her duties as a Director of the Company on such terms as they may think fit and the authorisation may be terminated at any time by the Directors. Those terms may include (without limitation) terms that the relevant Director
- (i) will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him or her otherwise than by virtue of his or her position as a Director, if to do so would breach any duty of confidentiality to a third party,

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- (ii) may be required by the Company to maintain in the strictest confidence any confidential information relating to the Company which also relates to the relevant situation,
  - (iii) may be required by the Company not to attend any part of a meeting of the Directors at which any such matter which may be relevant to the conflict situation is to be discussed, and any board papers relating to such matters may be withheld from that Director, or
  - (iv) shall not be obliged to account to the Company for any remuneration or other benefits received in consequence of the relevant situation
- (B) The relevant Director shall not be counted in the quorum at the relevant meeting of the Directors to authorise a conflict situation as mentioned in paragraph (A) nor be entitled to vote on the resolution authorising such situation. When giving such authorisation for a particular Director, any other interested Director (within the meaning of section 175(6)(a) of the 2006 Act) may be counted in the quorum and may vote in relation to such resolution.
- (C) The provisions of paragraphs (A) and (B) of this Article shall not apply to a conflict of interest which arises in relation to an existing or proposed transaction or arrangement with the Company but the following provisions of this paragraph (C) and paragraph (D) shall so apply. Any Director may be interested in an existing or proposed transaction or arrangement with the Company provided that he or she complies with the Act (or, from 1 October 2008, the 2006 Act)
- (D) Without prejudice to the obligation of each Director to declare an interest in a proposed or existing transaction or arrangement in accordance with the Statutes, a Director may vote at a meeting of the Board or a committee of the Board on any resolution concerning a matter (i) which relates to a transaction or arrangement with the Company in which he or she has a direct or indirect interest or (ii) in relation to which he or she has an interest or a duty to another person which conflicts or may conflict with the interest of the Company or the Director's duty to the Company. The Director shall be counted in the quorum present when any such resolution is under consideration and if he or she votes on such resolution his or her vote shall be counted.
- 104 (A) A Director may at any time on or after 1 October 2008 (without any need for authorisation under Article 103(A))
- (i) be a member of any pension scheme of which the Company is a trustee,

- (ii) be a director, officer or employee of any company participating in any such pension scheme, or of an associate of any such company,
  - (iii) be a shareholder, share option holder or debenture holder of any such company,
  - (iv) be a member of, or hold an office within, any trade union applicable to any employment in relation to any such pension scheme, or other relevant representative or consultative group; or
  - (v) have a family member who has one of the above interests
- (B) Notwithstanding his or her office or the existence of an actual or potential conflict between any interest as described in paragraph (A) above and the interests of the Company which would fall within the ambit of section 175(1) of the Companies Act 2006, a Director
- (i) will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him or her otherwise than by virtue of his or her position as a Director, if to do so would breach any duty of confidentiality to a third party, and
  - (ii) shall not be obliged to account to the Company for any remuneration or other benefits received in consequence of the relevant situation,
- and in connection with any such actual or potential conflict of interests, the Company may require the relevant Director
- (iii) to maintain in the strictest confidence any confidential information relating to the Company which also relates to the relevant situation, and
  - (iv) not to attend any part of a meeting of the Directors at which any such matter which may be relevant to the conflict situation is to be discussed, and any board papers relating to such matters may be withheld from that Director "

We, the undersigned, being persons entitled to vote on the Resolutions on 30 September 2008, hereby agree to the Resolutions



Duly authorised signatory  
For and on behalf of BAE Systems plc

Date 30 September 2008



Duly authorised signatory  
For and on behalf of BAE Systems (Nominees) Limited

Date 30 September 2008

#### **NOTES TO SHAREHOLDERS**

1. If you agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company in hard copy to Ann-Louise Holding, Company Secretary, BAE Systems Pension Funds Trustees Limited, PO Box 87, Farnborough Aerospace Centre, Farnborough, Hampshire GU14 6YU, by e-mail to Ann-Louise Holding@baesystems.com or by fax to (01252) 383015
2. If by 27 September 2008, sufficient agreement has not been received in order to pass the Resolutions, the Resolutions will lapse. If you agree to the Resolutions, please ensure that your agreement reaches the Company on or before this date
3. If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document